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What progress is India making on the difficult road to modern industrial self sufficiency? In this study of India After Nehru, the first of our seven authors says that "... only time will tell whether [the] prediction that India's democracy is disintegrating is accurate...."

India: The Politics of Coalition and Survival

BY NORMAN D. PALMER

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AS INDIA APPROACHES her twenty-first anniversary as an independent state (August 15, 1968), and thereby presumably attains political adulthood, she is faced with a quadruple crisis—political, economic, social and psychological. Politically, the post-Nehru era has witnessed the end of Congress dominance without producing any clear alternatives, and the attendant results have included a crisis of leadership, political instability, and threats to the stability of the political system itself. Economically, India has experienced her most difficult and trying years, due to natural disasters and manmade failures; as a result, her capacity to carry on her planning and development efforts, even with large-scale foreign aid, which may or may not be forthcoming, is in question. Socially, grave problems of cohesion and stability have risen out of the stresses and strains attendant upon the conflict between tradition and modernity, the changing status and roles of castes and communities, linguistic, regional, religious, and other differences, and the growing pressures of a population that has passed the half-billion mark and is growing at the

rate of more than 12 million a year. Psychologically, there is a severe crisis of confidence which seems to permeate almost all aspects of Indian life and to give rise to dark moods of anomie, alienation, frustration, and depression.

In August, 1967, on the twentieth anniversary of India's independence, the *Economic and Political Weekly*, a well-known journal published in Bombay, observed: "In the two decades since Independence, no period has been more difficult and demoralizing than the last two years. It has witnessed the worst drought since the turn of the century, an all but total collapse of planning, and failures of leadership at almost every level." A few months earlier, a similar view was voiced by the President of India himself, the distinguished philosopher, Sarvepalli Radhakrishnan, in a broadcast to the nation on January 25, 1967, the eve of India's eighteenth Republic Day. Speaking with amazing and sobering frankness, Dr. Radhakrishnan expressed his disappointments and fears for his country:

The last year has been the worst since Inde-

pendence, full of natural calamities and human failures. . . . Unruly behaviour of some members in our legislatures, factions, caste disputes, and political rivalries that have disrupted many a state, fasts unto death and even threats of self-immolation, riots and sabotage . . . have raised in many minds doubts about the stability of a united democratic India. Internal differences are crippling our democracy as sectional interests and regional pressures are increasing. . . . We are cynical and contemptuous of values. We begin to develop hate toward those who do not agree with us. . . . We make the prospect of revolution inescapable by acquiescing in such conduct. As dishonesty creeps into every side of public life we should beware and bring about suitable alterations in our life. . . . It is not necessary for us to lose hope. Our political leaders should have a clear vision of the future of our country and not be content with their own individual comfort and survival.

Two days after Radhakrishnan's broadcast, *The Times* (London) carried an article by its Delhi correspondent, Neville Maxwell, entitled "India's Distintegrating Democracy." In this widely-discussed article Maxwell, a veteran and sympathetic observer of the Indian scene, stated flatly that "The great experiment of developing India within a democratic framework has failed," and he warned that "In such circumstances something will have to give, and it seems that the system will go first." In another article, published two weeks later, Maxwell referred to the growing assaults on secularism and on "Nehruism" and to "the emotional readiness for the rejection of parliamentary democracy."

When Radhakrishnan and Maxwell publicly expressed these somber views, India was in the final stages of the campaign preceding the fourth general elections, held from February 15 to 21. The campaign was marred by frequent acts of violence—Prime Minister Indira Gandhi was slightly injured in the face by a stone thrown by someone in the crowd in Bhubaneswar, Orissa, and Madhu Limaye, a prominent leader of the Samyukta Socialist Party (S.S.P.), was waylaid and beaten. The

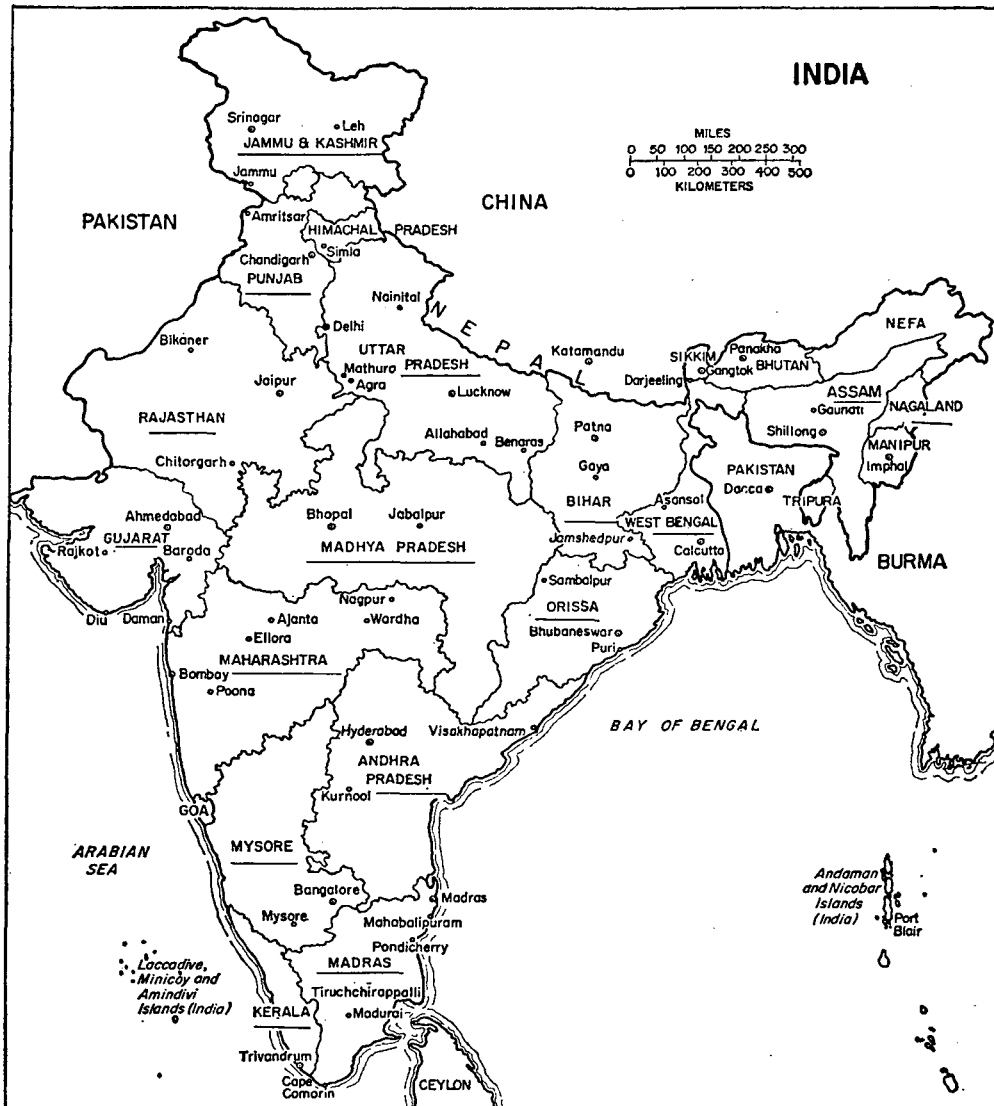
campaign was staged against a background of economic crisis, agitation, unrest and frustration. Some persons of political prominence predicted in the latter part of 1966 that the elections would not be held at all, and Neville Maxwell thought that they would be "surely [the] last" elections to be held in India.

As the campaign progressed, it became obvious that the Congress party, which had dominated the Indian political scene since independence, was on the defensive in most parts of the country, and that it would lose a substantial number of seats in the *Lok Sabha* and would probably lose control of at least a few of the state governments. Opposition parties and groups attempted to capitalize on the psychological swing away from the Congress and on local issues and grievances, which were many; they gave relatively little attention to questions of foreign policy. In several states they entered into unusually effective electoral arrangements and alliances. The most effective were in Kerala and West Bengal, and in each state the Left Communists—the C.P.I. (Marxist) party—were the main organizers and leaders of the united left front.¹ (In West Bengal there was another united left front in which the Right Communists—the C.P.I.—and the Bangla Congress, a group of dissident Congressmen, were the most important members.)

Contrary to commonly expressed apprehensions the elections went off quite peacefully. Some 61 per cent of the more than 250 million eligible voters went to the polls in "the world's largest democratic elections." The results were even more startling than most observers had predicted. In effect, the elections marked the end of the long period of Congress dominance and redrew the political map of India. Whether Indian democracy was strengthened or weakened as a result is a debatable question for which there is as yet no objective answer. Certainly the political situation was more unstable and more uncertain afterwards than before the voting; but one could argue that this is a phase through which the Indian political system must pass, and that unless it can meet this test it does not deserve to survive.*

* *Ed. note:* Of the 17 states, Haryana, West Bengal and Uttar Pradesh have been placed under President's (direct central) rule because of political instability.

¹ See also K. K. Sinha, "Communist-led Ministries in West Bengal and Kerala," pp. 255 ff on this issue.



* Punjab was divided into two states, Punjab and Haryana, in November, 1966, under the terms of the Punjab Reorganization Act of that year. Haryana, formed from the Hindi-speaking sections of the state of Punjab, is made up of the districts of Hissar, Mohindergarh, Gurgaon, Tohtak and Karnal; parts of Sangrur and Ambala, and part of Kharar tehsil. No official map of the demarcation is yet available.

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India's Seventeen* States

A summary of the weighted election results reveals the extent of Congress reverses and

the nature of the political changes.² Congress lost far more heavily in seats than in popular vote. It increased its popular vote slightly in Andhra Pradesh, Assam, Kerala (where it still lost most of the seats in both the *Lok Sabha* and the Legislative Assembly), Mad-

² Norman D. Palmer, "India's Fourth General Elections," *Asian Survey*, VII (May, 1967), and *Seminar* (New Delhi), No. 94 (June, 1967), a special issue on the "Election Outcome."

hya Pradesh, and Rajasthan. And it suffered losses of more than five per cent—which was the overall extent of its decline in popular vote—only in Bihar; Maharashtra (where it still retained solid majorities), Orissa (where its vote declined by more than 22 per cent), and West Bengal. In elections to the *Lok Sabha* it suffered overall losses of approximately 80 seats. It gained one seat each in Andhra Pradesh and Assam, retained the same number of seats in Madhra Pradesh, and lost four or more seats in every other state, including the loss of 15 seats in Uttar Pradesh and of 28 in Madras. In the *Vidhan Sabhas* (legislative assemblies) its heaviest losses were in Bihar, Madras, Uttar Pradesh, and West Bengal. It failed to obtain a majority of the seats in eight states—Bihar, Kerala, Madras, Orissa, the Punjab, Rajasthan, Uttar Pradesh, and West Bengal. In Kerala, it won only one of the 19 seats in the *Lok Sabha* and only 9 of the 133 Assembly seats; in Madras, its representation in the *Lok Sabha* fell from 31 to 3, and in the Assembly from 234 to 49.

Many top leaders of the Congress party were defeated, including President Kamaraj Nadar, the treasurer, the secretary, nine members of the central Cabinet, three members of the previously influential "Syndicate," the chief ministers of Bihar, Madras, the Punjab, and West Bengal, and a number of other party stalwarts. In some respects, this slaughter of so many of the Congress "tall poppies" was the most spectacular feature of the fourth general elections.

After the elections, the representation of the leading parties in the *Lok Sabha* was as follows:

Congress Party	282 seats
Swatantra Party	44 "
Jana Sangh	35 "
Dravida Munnetra Kazhagam (D.M.K.)	25 "
S.S.P.	23 "
Communist Party of India (C.P.I.)	22 "
Communist Party of India (Marxist) (C.P.I.-M)	19 "

Non-Congress governments were formed almost immediately in Bihar, Kerala, Madras, Orissa, the Punjab and West Bengal. With the exception of Madras, where the D.M.K. won a clear majority, all these governments were coalitions of varying composition. In Bihar, Orissa, the Punjab and West Bengal, the Congress had by far the largest number of seats of any single party, but it was still not able to form a government. The main parties in the coalition governments were the S.S.P. in Bihar, the Left Communists in Kerala, the Swatantra in Orissa, the Akali Dal (Sant Fateh Singh Group) in the Punjab, and the Bangla Congress and the Left Communists in West Bengal. The strength of the Swatantra was concentrated largely in Andhra Pradesh, Gujarat, Orissa, and Rajasthan, of the Jana Sangh in Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh, of C.P.I. in Bihar, Kerala, Uttar Pradesh, and West Bengal, of the Left Communists in Kerala and West Bengal, of the S.S.P. in Bihar and Uttar Pradesh, and of the Praja Socialist Party (P.S.P.) in Bihar, Mysore and Orissa. Even though the D.M.K. elected enough members—25 out of 25 who contested—to become the fourth largest party in the lower house of the national parliament, its strength was confined exclusively to Madras.

In Rajasthan, Congress government was resumed only in late April, after five weeks of "President's rule" (i.e., direct rule from New Delhi). Congress governments in Haryana, Madhya Pradesh and Uttar Pradesh fell within a few weeks, to be replaced by coalition regimes. In November, three non-Congress governments fell within a period of 24 hours, to be superseded by President's rule in Haryana, and by a non-Congress coalition government supported by the Congress party in the Punjab and, in mid-January, by a Progressive Democratic Front—Congress coalition in West Bengal. On January 25, 1968, the coalition government in Bihar, headed by M. P. Sinha, resigned after being defeated on a no-confidence motion in the Legislative Assembly; after a period of uncertainty, it was succeeded by a Congress-Soshit Dal alliance, headed by another M. P. Sinha.

In this post-election picture of coalition governments and of political instability and uncertainty, no clear pattern emerged. Certainly there was no marked swing either to the left or to the right. Indeed, as was often noted, if any one tendency was obvious it was toward parochialism and localism. While the Congress lost in popular votes and several opposition parties gained, notably the Swatantra, Jana Sangh, S.S.P., and D.M.K., no opposition party won more than 10 per cent of the total vote, and the strength of each was confined to a few states—or, in the case of the D.M.K., to one state.

SHIFTING ALLEGIANCES

One remarkable and potentially disturbing political phenomenon of the post-election period was known as “crossing the floor.” In state after state, members of various parties or dissident groups shifted their political allegiance with alarming frequency. *The Statesman* (New Delhi) of November 22, 1967, reported that in Haryana “Thirty-seven members of the Legislature out of a total of 79 crossed the floor at one time or the other during the last eight months, and four of them did so four times each.” According to an article by Peter Hazelhurst in *The Times* (London) of January 26, 1968, “There have been 314 defections across state assembly floors since last March.”

Many members of the Congress party joined in this strange political sport. If the practice should spread to the *Lok Sabha*, the Congress government on the national level would be in jeopardy. Since the Congress has a majority of only a little over 50 seats over the combined opposition—which, to be sure, is anything but combined—in the *Lok Sabha*, the government might be brought down if 25 Congress members crossed the floor. In this event a mid-term national election, which even now is an obvious possibility but which does not seem to be imminent, would become a virtual certainty.

³ For a detailed account of the succession drama, based on interviews with almost all the leading participants, see Michael Brecher, “Succession in India 1967: The Routinization of Political Change,” *Asian Survey*, VII (July, 1967).

Immediately after the elections, the disorganized Congress party was faced with the task of choosing a prime minister and a new government. The drama of the third succession since the death of Jawaharlal Nehru was played out between February 27 and March 11, with the high point coming in the final 72 hours.³ Again, as in January, 1966, following Lal Bahadur Shastri's sudden death at Tashkent, the two contestants for prime minister were Mrs. Indira Gandhi, the incumbent, and Morarji Desai; and again, contrary to the predictions of those who thought that she would be made the scapegoat for the Congress electoral reverses, Mrs. Gandhi emerged the victor. This time, as Michael Brecher has pointed out, a “bargained consensus” was achieved. Morarji Desai was given the post of deputy prime minister as well as finance minister, and several other important changes were made in the new cabinet. In spite of his unexpected and humiliating defeat in his home constituency in Madras state by a young student leader on the D.M.K. ticket, the Congress President Kamaraj Nadar played a major role in the choice of the prime minister in the third succession, as he had in the two previous successions; but thereafter his political star, which at one time seemed to be very high indeed in the Indian political firmament, began to fade. His loss of influence was particularly apparent in the selection of the President of India and of his own successor as president of the Congress party.

Radhakrishnan's term as President of India expired in May, and the choice of his successor involved a two-way contest within the top ranks of the Congress party followed by a stiff fight against a candidate supported by almost all the major opposition parties. Kamaraj led a group within the Congress which wanted Radhakrishnan, then almost 80 years of age and in ill health, to continue in office, but Mrs. Gandhi supported Zakir Husain, Vice President of India and a leading Indian Muslim. Radhakrishnan resolved the impasse by announcing his intention to retire at the end of his term, and Husain was nominated as the Congress candidate. The major opposition parties put up Chief Justice K.

Subba Rao, a highly respected person, to run against the Congress nominee, and named a prominent Muslim for the post of Vice President; but on May 6 Husain was elected by a comfortable majority of the weighted votes of the elected members of the Indian Parliament and state legislatures, who constituted the electoral college, and V. V. Giri, then Governor of Mysore, was elected Vice President.

The election of the president of the Congress is formally held during the annual meeting of the party, but is in fact decided by the prime minister and other top leaders and then formally recommended by the All-India Congress Committee. Usually this procedure is a formality, but not in 1967-1968. It was widely assumed that Kamaraj wished to continue in the office, but that Mrs. Gandhi had other views. She seemed to be favoring the selection of Gulzarilal Nanda, an old-time left-wing Congress leader of 69 and a long-time cabinet minister, who had twice served as acting prime minister. Nanda had been defeated in the 1967 elections and had been left out of Mrs. Gandhi's revised cabinet. In order to persuade her to drop Mr. Nanda, some of the more conservative members of "the establishment" began to promote one of their own members, S. K. Patil, who had also been defeated in February, 1967.

The choice eventually devolved on S. Nijalingappa, Chief Minister of Mysore, another Congress stalwart, who, while able and respected, hardly conveyed the image of youthful vigor and dynamism which Mrs. Gandhi had announced she was seeking in the next president of the Congress. Both Mrs. Gandhi and Kamaraj endorsed Nijalingappa's selection, but it was obvious that in this contest the lady prime minister, even if she did not get her way entirely, had been more influential than the one-time Congress big boss. Mrs. Gandhi's position after the election was well described by Joseph Lelyveld in an article in *The New York Times* of December 10, 1967:

So once again Mrs. Gandhi has won a little more security for herself without winning any more sta-

ture as a leader. The confidence of her colleagues in her abilities may have diminished a bit, but so had the likelihood that they would be able to do anything about it.

CENTER-STATE RELATIONS

With non-Congress governments in the Hindi heartland in the north and in the extreme south, in states with a majority of the population of the entire country, problems of center-state relations and of the shifting balance of the Indian federal system became more delicate and important than ever before. The internal situation in several states was justifiable cause for alarm. This was particularly true in West Bengal, where in Naxalbari, only 60 miles from Tibet, in the summer of 1967, Santhal tribals, organized by pro-Peking Communists, set up a "parallel government." A reign of terror lasted for several weeks. For a long time the West Bengal government declined to send in police to put down the virtual rebellion, but eventually even the Left Communists in the government, in order to forestall direct intervention from the Center, denounced the rebellion and authorized the dispatch of police to the Naxalbari area. The Naxalbari incident, which was hailed by Peking Radio as "the front paw of the Great Indian Revolution," spread tremors of apprehension throughout India, and brought strong denunciations of the central government as well as of the Communist-infiltrated government of West Bengal.⁴

In the latter part of 1967, agitation over the language issue again threatened to get out of hand. The immediate cause of the new crisis over an old issue was the effort of the Indian government to secure parliamentary approval of the Official Languages (Amendment) Bill, which was designed to be a compromise and conciliatory measure. This bill attempted to redeem Nehru's assurances that although Hindi would be the official national language (as provided for in the Constitution), English would be retained as an associate national language until the legislatures of all non-Hindi-speaking states were willing to give it up. For five days in December, proponents and opponents of Hindi engaged in bitter and unruly debate in the *Lok Sabha*,

⁴ See Sinha, pp. 255 ff.

at the end of which the bill was passed by a vote of 224 to 75, with many abstentions. The right-wing Jana Sangh and S.S.P. led the pro-Hindi forces, while the large D.M.K. contingent was the main champion of the non-Hindi—and even anti-Hindi—position. In the end the D.M.K., as well as the Jana Sangh and S.S.P., voted against the bill, because the D.M.K. was opposed to certain amendments which, it claimed, would give initial advantages to Hindi-speaking Indians in the selection of candidates for recruitment to the civil services of the country. Few people seemed happy with the compromise, and the agitation against it continued after it was accepted by the *Lok Sabha*. Thus one of the most troublesome and divisive issues in current Indian politics remained essentially unresolved.

In January, 1968, the Indian government took two steps which seemed to indicate a growing confidence in its capacity to function under the normal safeguards of constitutional authority. On January 2, the government unconditionally released Sheik Mohammed Abdullah, the leading Kashmiri in the struggle for independence and former prime minister of the state of Jammu and Kashmir, who had been under detention, except for two brief periods, since August, 1953. Two days later, at a crowded press conference, the Sheik said that he was “anxious to consecrate the years that lie ahead of me to foster peace between India and Pakistan.” His release was a calculated gamble, which had long been urged on the government of India. His long detention had been an embarrassment to Nehru and his successors; but if Abdullah took advantage of his freedom to stir up the Kashmir people in favor of Pakistan or of independence or in support of demands for greater autonomy than the government was willing to grant, or if he took positions which were regarded as anti-national and pro-Pakistan, he could again place the government in an embarrassing position.

As of January 10, the state of emergency, which had been proclaimed on October 26, 1962, in the wake of the Chinese attack, was ended. The government announced that all

persons who had been detained under the Defense of India Act would be released immediately, and that fundamental rights would be fully restored, although the Defense of India Act would continue for another six months.

ECONOMIC PROSPECTS

In early 1968 the economic picture looked much brighter than it had a year before. At that time, in the aftermath of two successive droughts, devaluation, food shortages in many parts of the country and near famine in Bihar and eastern Uttar Pradesh, rising prices, interruptions in food shipments from abroad and reduction in foreign aid, the economic picture looked grim indeed. By late 1967, the Fourth Five Year Plan, which had presumably been launched on April 1, 1966 (the draft outline was released in the fall of that year), had been virtually shelved. In 1967, the Planning Commission was thoroughly reconstituted, and given new personnel and more limited and more precise functions. When, in September, 1967, the newly-constituted commission began its work under the deputy chairmanship of D. R. Gadgil, a famous economist who had often been critical of the Indian planning, one of its first decisions was to postpone consideration of needed revisions in the Fourth Plan and to exclude the years 1966–1967, 1967–1968, and 1968–1969 from the plan. The commission decided to give priority to the annual plan for 1968–1969, and then to take up the Fourth Plan,

(Continued on page 245)

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This expert points out some changes in emphasis in India's foreign policy, including the expansion of her armed forces, now "... one of the largest military establishments in the world ..." and the "... expansion of [her] interests ... in the developing world. ..."

India's Foreign Policy: 1964-1968

BY RICHARD L. PARK

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JAWAHARLAL NEHRU was a man of many interests, but international affairs was his special concern.* He tutored his associates in the Indian National Congress on foreign politics after the mid-1920's and was the drafter of most Congress resolutions on external issues before independence. As prime minister he held the external affairs portfolio himself; he shaped India's foreign policy and its styles of diplomacy; he hand-selected most of the ministry's senior diplomats, administrators and technical personnel. He was aided and advised by able assistants, but few question the personal imprint of Nehru on the foreign policy of India.

The principles of nonalignment, noninvolvement in military pacts, friendship and mutual concern for the welfare of all, and the diplomatic style of deciding each issue "on its merits" were central to Nehru's views of the best way to sustain his country's national interests and its security. He was convinced equally that a new morality was needed in international life, especially in a world of atomic weapons. India, weak in terms of political power, might nevertheless help lead the way out of the confusions of the cold war. India might convince others, by example and word, that the world need not be driven to its doom by unending distrust, political intervention, and threats of

violence. Competitive coexistence, he felt, would be a better solution.

Since Prime Minister Nehru's death in 1964, India has been reordering the pieces of a foreign policy that did not succeed in reaching its major goals. Nehru's attempt to establish cordial relations with Communist China, even at the expense of Tibetan aspirations for independence, crashed to a halt with the border war of 1962. The Sino-Soviet split exacerbated Indo-Chinese discord by the bifurcation of the Communist party of India into Moscow and Peking wings, adding internal political cleavage to the facts of external confrontation. As of 1964, India's relationships with her other immediate neighbors were hostile (Pakistan) or strained (Ceylon, Nepal, Burma). The war with Pakistan in 1965 again revealed the depth of the bitterness that existed between the two countries over Kashmir and other matters.

Thanks to non-alignment—and to great potential regional power—India's internal condition had been bolstered by economic and technical assistance from the United States, the U.S.S.R. and others. Nevertheless, population pressures, inadequate records in agricultural and industrial growth, and social unrest meant that per capita income remained low (about \$70 per annum) and hope for rapid betterment was hardly stirred. Beyond home and neighbors, by 1964 India was no longer highly regarded by many in

* Mr. Umesh Pant was especially helpful in collecting materials referred to in this article.

the nonaligned world. Southeast Asia had been largely ignored in favor of "bigger" world issues; Africa was only dimly in policy focus; Japan was distrusted and unknown to most. The United States and the Soviet Union, plus the older members of the Commonwealth of Nations, persisted in their attention to India's future—and for their own various reasons—but they generally supplied reduced levels of assistance for problems that were expanding.

Nehru must have been an unhappy man as he reviewed India's condition in 1964. He would have been pleased to know, however, that his successors (Prime Ministers Lal Bahadur Shastri to 1966 and Mrs. Indira Gandhi thereafter) have not abandoned his policies, even if they have altered the emphasis. They have continued to advance the search for peace, at the same time strengthening and modernizing the Indian defense establishment. Nonalignment is still the cornerstone of India's diplomacy. The United States and the U.S.S.R. compete with aid, somewhat unenthusiastically, but the circle of bilateral agreements widens to include more support from West and East Germany, Japan, East Europe and others. At the United Nations and in world forums generally, India maintains her search for the nonviolent solution of major world disorders.

President Sarvepalli Radhakrishnan, addressing Parliament on March 18, 1967, underlined the continuity of India's policy:¹

The foreign policy of India has stood the test of time. The concept of peaceful co-existence, which India has done so much to sponsor, is now accepted by the leaders of the two groups. With both the United States and the Soviet Union we have the friendliest of relations. Our policy of non-alignment stands vindicated. Government will do everything possible to strengthen non-

alignment and pursue the positive aspects of this policy with rigour and determination.

Radhakrishnan added: "It will be Government's special endeavour to strengthen India's relations with our neighbours."

The conflict with India's most immediate neighbor, Pakistan, is as heated today as it was in 1964. In fairness, one should take note of the restraint shown by India in her relations with Pakistan, and the extent of the public and private effort made to appreciate the Pakistani viewpoint, even on Kashmir. Prime Minister Lal Bahadur Shastri gave a great deal of attention to the settlement of long-standing disagreements with Ceylon, and Mrs. Gandhi has continued the dialogue. The Agreement on the Status and Future of Persons of India Origin in Ceylon,² signed on October 30, 1964, did much to set a new tone for Indo-Ceylonese relations. The understandable desire for independence in Nepal has led that government to seek a judicious middle ground between India and China, but Indian influence—and, to a degree, popularity—remains dominant. Burma and other areas of Southeast Asia also have been approached for improved ties of commerce and friendship.

What has changed since 1964 is an improvement in the craftsmanship of India's diplomacy, the planned diversification of cultural and economic interests in Asia and Africa, the rebuilding of closer relationships with the U.A.R. and Yugoslavia, and a tightening of ties with the U.S.S.R. India's association with the United States is active and correct, but cordiality is only occasionally present. The Vietnam war and its ramifications tend to place in jeopardy other aspects of Indo-American cooperation, at least within official circles. India's foreign policy is changing; but not abruptly, nor are the old principles and approaches being jettisoned.

Events and circumstances since 1964 have placed before India severe tests of her policies for external affairs. Brief consideration will be given to a few of the most important of these: (1) war with Pakistan (1965) and the Tashkent Agreement (1966); (2) The Middle East crisis (1967); (3) Vietnam; (4)

¹ *Foreign Affairs Record* (Government of India), Vol. XIII, No. 3 (March, 1967), p. 21. For internal continuities, see Stanley A. Kochanek, "Post Nehru India: The Emergence of the New Leadership," *Asian Survey*, May, 1966, pp. 288-299.

² *Foreign Affairs Record* (Government of India), Vol. X, No. 10 (October, 1964), pp. 263-265 for the text. The problems of implementation are discussed in Urmila Phadnis, "The Indo-Ceylon Past and the 'Stateless' Indians in Ceylon," *Asian Survey*, April, 1967, pp. 226-236.

Southeast Asian policies; (5) The Draft Nonproliferation of Nuclear Weapons Treaty; (6) Indo-American relations.

WAR WITH PAKISTAN (1965)

Relations between India and Pakistan since 1947 have had their ups and downs. Mostly downs. The unresolved Kashmir issue has been the symbol of greatest discord, but minor border disputes, the question of refugee settlements, trade and financial issues, as well as claims of political interference from both sides have helped to increase the fear and distrust that originally stemmed from the history of Partition.

After the Sino-Indian border war of 1962 (a debacle for India), advice and assistance were sought in developing India's armed forces. Arrangements were made with the United States, Great Britain and the Soviet Union, among others, for help in this buildup.³ Pakistan, on the other hand, had been seriously concerned by the positive response of Western powers to India and by the substantial military assistance given to India in 1962 by the United States, Great Britain, and the Commonwealth in answer to China's invasion of Indian territory. Pakistan did not attack India while the conflict with China was in progress, although India feared such action. Indeed, President Ayub Khan of Pakistan made it clear during the heat of the battle that mutual defense arrangements between India and Pakistan would be advisable, providing the Kashmir case could be settled. India did not respond favorably to the Pakistani suggestion. Furthermore, Pakistan, judging the nature of the Sino-Indian conflict differently, felt that Pakistan's allies, more particularly the United States, had done a serious disservice to Pakistan in providing fresh arms to Pakistan's potential enemy, India. From 1962 on, relations between Pakistan and the United States deteriorated, and the Kashmir issue once more came into focus.

³ For a review of some of the military assistance measures, see *Keesings Contemporary Archives* (Keynsham, Bristol) (Vol. XIV, 1963-1964), pp. 19648-19649.

⁴ *Keesings Archives* (Vol. XV, 1965-1966), p. 20609.

Prime Minister Lal Bahadur Shastri stated at the Cairo Conference of Nonaligned Nations in October, 1964, that he was aware of continuing border disputes with Pakistan; he agreed that the difficulties should be resolved peacefully by direct negotiations between the two parties. Further attempts to deal with Kashmir and related issues were taken up at a meeting in Karachi between President Ayub Khan and Prime Minister Lal Bahadur Shastri on October 12, 1964. The two leaders agreed that their governments should meet at the earliest possible moment to "give effect to their common desire to develop friendly and cooperative relations. . . ."⁴ This meeting was brief and not intrinsically productive, but it did give observers hope that a new phase in Indo-Pakistani relations was in the offing.

The official October meeting had been preceded by an unofficial Indian goodwill mission to Pakistan, led by Jayaprakash Narayan, on President Ayub Khan's invitation and with the approval of the government of India (September 5-12, 1964). In retrospect, neither the official meeting nor the unofficial goodwill mission produced measurable results.

In December, 1964, India's Home Minister, Guzarilal Nanda, announced that Articles 356 and 357 of the Constitution of India would be extended to Kashmir, thus effectively reducing the semiautonomous status of the State of Jammu and Kashmir that had existed in deference to the provisional nature of the state's accession to India. On January 3, 1965, the ruling party in Kashmir, the National Conference, merged completely with the Congress party. This merger was agreed upon by the Congress party on January 10, 1965. The two moves—one constitutional and the other political—integrated Kashmir into the Republic of India. Pakistan protested these changes on the grounds that they implied the end of India's willingness to consider the political status of Jammu and Kashmir, as had been promised under United Nations resolutions.

The next stage in the conflict was highlighted by President Ayub Khan's visit to Communist China from March 2 to 9, 1965,

for discussions with China's leaders. At the end of the visit, a protocol was signed by the two governments agreeing upon borders, and a cultural agreement was reached. India, believing that the border agreements touched upon territory claimed by India, protested both to China and to Pakistan in March, 1965, but to no avail.

Open warfare between India and Pakistan broke out in the Rann of Kutch on April 9, 1965, following some previous military maneuvers on both sides. Allegations were made by India that Pakistan was using United States weapons that had been intended for other purposes, thus reiterating her earlier charge that United States military assistance to Pakistan inevitably would have unfavorable consequences to India's security. A cease-fire of the first phase of conflict was signed on June 29, 1965, but new fighting started in Kashmir after what appeared to be Pakistani infiltration of the Indian-held sector.

During August to October, 1965, both India and Pakistan were involved in major military conflict in Kashmir and later in Punjab and other border areas. On September 8, 1965, Great Britain and the United States placed a ban on the shipments of arms to the area, and the United States made it clear that no further economic aid would be granted to either country until the United States Congress had been consulted. The war between India and Pakistan ground to a halt as the military equipment on both sides was dissipated, but the controversy between the two countries continued.

On September 17, 1967, Premier Aleksei Kosygin of the Soviet Union proposed that President Ayub Khan and Prime Minister Lal Bahadur Shastri meet in Tashkent to resolve the dispute. The Tashkent meetings were held from January 4 to January 10, 1966. A nine-point declaration was signed by the two parties on January 10, 1966. The major points of this declaration were as follows:⁵ India and Pakistan pledged themselves

a) to restore "normal and peaceful" relations between the countries;

b) to withdraw their respective armed forces, not later than February 25, 1966, to the positions they held before August 5, 1965—the date of the outbreak of the second phase of Indo-Pakistani hostilities;

c) to repatriate captured prisoners of war;

d) to restore diplomatic relations between the two countries, as well as economic and trade relations, communications and cultural exchanges;

e) to end hostile propaganda;

f) to deal with the question of refugees and illegal immigrants.

What came to be known as the "Spirit of Tashkent" was given dramatic urgency by the death of Prime Minister Shastri of India on January 11 in Tashkent. Shortly after the declaration was signed, however, circumstances in India and in Pakistan reduced the goodwill that appeared to have been reached, and traditional hostile relations resumed their normal course. Nevertheless, the Tashkent Declaration did lead to a withdrawal of troops from occupied territory; the war was ended; and some effort was made for conciliation at ministerial levels by talks that commenced in Rawalpindi.

Since Tashkent, both India and Pakistan have done their best to rebuild the strength of their armed forces. The Soviet Union has been of special assistance on military matters to India. Pakistan has received some military assistance from China; she has also received helicopters from the Soviet Union. Although military aid from the United States to Pakistan has not been resumed, an agreement was made in 1967 to furnish both India and Pakistan with spare parts hardware for military equipment. Pakistan accepted the proposal, as was expected, and India protested.

No purpose is served in trying to assess the results of this war. Both sides claim victory; but both seem to have been defeated. The Kashmir issue is unsettled; it will probably be opened again by Pakistan at some future date. Leaders of both governments will be wary of military solutions in the future. The apparent stalemate of 1965 will be remem-

⁵ *Keesings Archives* (Vol. XV, 1965-1966), p. 21188.

bered. As far as India's foreign policy is concerned, Prime Minister Gandhi has made clear that India considers the Kashmir case closed. In New York on March 31, 1966, she stated:

It is now too late to talk of plebiscite. The second invasion of Kashmir by Pakistan last summer has destroyed whatever marginal or academic value the old United Nations resolutions might have had. Kashmir is also vital to the defense of India in Ladakh against China.⁶

Nevertheless, the spectre of Pakistani insistence on a Kashmir solution haunts efforts further afield for "peaceful coexistence."

THE MIDDLE EAST CRISIS (1967)

When the Middle East crisis flared in June, 1967, India supported the Arab countries in the United Nations on the grounds that Israel had taken the initial step in opening armed conflict. Prime Minister Indira Gandhi condemned the actions of Israel and compared Israel with Pakistan, pointing out that the seeds of the conflict between the Arab world and Israel were sown at the birth of Israel. She also condemned the Western powers for having armed Israel so heavily.⁷

In the United Nations, M. C. Chagla, chief spokesman for India, described as "most unfortunate" the rejection by the General Assembly of the nonaligned group's resolution calling for the unconditional withdrawal of Israeli troops from occupied segments of Arab countries. Chagla stressed the importance of the Suez Canal to India. He made it clear that as long as Israeli troops were on the canal's eastern bank there was little or no possibility of the canal's being opened. Chagla also noted the importance of Suez for the shipment of food to India.⁸

As far as earlier provocations to Israel by the U.A.R. and other Arab countries were concerned, India's stand was that these mea-

sures did not constitute war; that the Gulf of Aqaba was an inland sea within the territorial waters of the U.A.R. and Saudi Arabia. Chagla further stated that he fully appreciated the reasons why the U.A.R. had to institute precautionary measures against Israeli aggressive designs.⁹

India's stand was not tempered by the lengthy debate in the General Assembly. India's long association with President Gamal Abdel Nasser of the U.A.R., and the presence of over 50 million Muslims in India, seem to have had their consequences when the Middle East crisis erupted in 1967.

Official and unofficial reactions in India differed substantially. In Parliament and in public forums, numerous critics of India's stand expressed pro-Israeli views vigorously. Since 1947, few issues in foreign affairs have raised as much stormy debate in India as the Middle Eastern crisis of 1967. Many critics, including members of the opposition parties in Parliament, felt that India had failed to recognize the threats of the Arab countries against Israel and the right of self-preservation that Israel claimed to be exercising. Discussion over this issue continued in the December 23, 1967, *Lok Sabha* debate on foreign policy, when Defense Minister Swaran Singh, speaking for the government, stated that India was not hostile to Israel and was interested in the integrity of all nations, including Israel. Apparently some thaw in India's attitude towards Israel is in process.¹⁰

VIETNAM

As Chairman of the International Commission for Supervision and Control in Vietnam (other members, Canada and Poland), established by the United Nations following the Geneva Agreements of July 20, 1954, India has been concerned with the Vietnam conflict, but she has not played a key role in seeking an end to the war. India has held that the Geneva Agreements have been violated, especially by the governments of South Vietnam and the United States; that every effort must be made to end a war that has escalated to major proportions; and that there must be a return to the principles of settlement included

⁶ *The New York Times*, April 1, 1966.

⁷ *The Hindustan Times Weekly* (New Delhi), June 24, 1967.

⁸ *The Hindustan Times Weekly* (New Delhi), July 15, 1967.

⁹ *The Hindustan Times Weekly* (New Delhi), June 1, 1967.

¹⁰ *Weekly India News* (Washington, D.C.), January 5, 1968, p. 6.

in the 1954 agreement on the Vietnam issue.¹¹

As of early 1968, India continues to believe that the first step to be taken is the unconditional halt to the bombing of North Vietnam, in the belief that this action would shift the conflict from the battlefield to the conference table and would lead to a peaceful settlement of the tragic Vietnamese war. On January 23, 1968, India and Yugoslavia jointly agreed that the Vietcong should be included in any peace talks.¹²

India has on occasion indicated her willingness to utilize the facilities of the International Control Commission at appropriate times, but because the Commission operates on the principle of unanimity, so far these efforts have been inapplicable in the face of Poland's unwillingness to agree.¹³ The Geneva Conference has not been reconvened because the chairmen, the U.S.S.R. and Great Britain, do not agree. The Soviet Union believes that North Vietnam should accept the plan before any new meeting is called.¹⁴

It would appear that India views the Vietnamese conflict as a basically civil war that can be resolved only by the parties concerned. But recent statements from India on the techniques of concluding the fighting in Vietnam have been reduced to suggestions for tactical measures to end the bombing of the North as a first step towards further negotiation.

SOUTHEAST ASIAN POLICIES

A positive policy of improving relations with the countries of Southeast Asia has been

¹¹ See Paul F. Power, "India and Vietnam," *Asian Survey*, October, 1967, pp. 740-751.

¹² *The Chicago Tribune*, January 24, 1968, Section 1, p. 7. A Moscow joint communiqué by Premier Kosygin and Prime Minister Gandhi, on July 16, 1966, called for the cessation of bombing of North Vietnam. See *The New York Times*, July 17, 1966.

¹³ Prime Minister Gandhi's National Press Club (Washington, D.C.) speech on this point, given on March 29, 1966, is reported in *The New York Times*, March 30, 1966, p. 16.

¹⁴ *The New York Times*, July 17, 1966.

¹⁵ For a careful review of an earlier period, see Ton That Thieu, *India and South East Asia, 1947-1960* (Geneva: Librairie Droz, 1963). A largely ignored study of the potential of Southeast Asia is K. M. Panikkar, *The Future of South East Asia: An Indian View* (New York: Macmillan, 1943).

¹⁶ *Keesings Archives* (Vol. XIV, 1963-1964), p. 20315.

characteristic of the foreign policy of India since 1964.¹⁵ Several leaders of India, including President Zakir Husain, Deputy Prime Minister Morarji Desai, External Affairs Minister M. C. Chagla, and other senior ministers and administrators of the government have traveled extensively in Southeast Asia in the past several years.

The mass immigration of Indians from Burma that had started in 1947 reached serious proportions by the 1960's after the nationalization of shops. Thousands of Indians returned to India from Burma after 1962. In July, 1964, for example, the number of Indians leaving Burma each week numbered about two thousand. Since 1947, the number of Indians (and Pakistanis) in Burma has fallen from about one million to approximately five hundred thousand.¹⁶ Many of the most serious conflicts with Burma were resolved by the Indo-Burmese boundary agreement of March 10, 1967. This agreement formally demarcated and delimited the boundaries between the two countries, and a joint boundary commission was established to prepare the demarcations of boundaries and the preparation of a treaty. Relations between Burma and India in 1968 appear to be better than they have been in many years.

Relations between India and Indonesia have much improved since the fall of Sukarno, who had supported the Pakistani position in the Indo-Pakistani war. A trade mission of December, 1966, in Djakarta resulted in a joint communiqué on Indo-Indonesian commerce that should result in a substantial increase in trade and a diversification of the products involved in that trade. It was furthermore agreed that senior officials of the two countries should meet occasionally

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This expert points out that India's development performance "... has to date been below plan, but economic projections for a tradition-bound society 'being modernized' are not straightforward tasks."

Industrial Progress in India Under Planning

BY WILFRED MALENBAUM

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IN DECEMBER, 1967, India's National Development Council announced the termination of formal operations under the Fourth Five Year Plan, begun in April, 1966. Continuation would have meant, in the official view, persistence in a program that was out of touch with the realities of the Indian economic situation: India was in recession. Demand for industrial goods had declined, on the part of farmers, because of two disastrous crop years; on the part of urban residents, because of limited purchasing power after meeting high food prices; on the part of government, because of reduced revenues and on the part of private business because of falling production. Industrial output was also restricted because of a shortage of raw materials. Overwhelming all was the upward surge of prices; the wholesale index for all commodities increased some 15 per cent a year after 1964. This combination of recession with inflation saw one-third of India's modern industries with declining product in 1966 and again in 1967. Such realities were certainly not in step with India's plans; hence the plan termination.

Other causes for the government's action were the high military expenditures arising from conflicts with China and Pakistan, and uncertainties about foreign aid. Apart from diminished enthusiasm in the United States about the role of massive foreign aid, active hostilities between India and Pakistan

prompted a halt in commitments just as India's draft Fourth Plan was to be put in final form. It was never completed; development operations since early 1966 have proceeded on an interim, annual basis. There were also growing doubts about basic development strategy. Was industrialization being favored unduly over agricultural development? Within industry, was too much stress being put upon heavy capital goods? Was the government role in development, especially in industry, conducive to maximum growth, given the importance of private industry in India's economy? While the International Bank, with some \$1.8 billion in loans authorized for India (and with its central position in the India Aid Consortium), has often raised such questions, there are important domestic critics also. Thus India's newly reconstituted Planning Commission has itself suggested the need for new plans and directions before the resumption of formal plan programs—perhaps in 1969.

A growing economy is an industrial, as distinct from an agricultural or extractive, economy. Economic progress is often measured by the rate of decline of primary activities, whether by share of national product, or share of total labor force. A growing nation has some sector which grows most rapidly. For a period this might be in agriculture, or extractive enterprises, or even services, but sooner or later this most-rapid growth area

will best be characterized as "in industry." In industry, a nation can see continuous expansion; the modern factory offers ever-increasing productivity per man. The development task is the meshing of factory expansion with expansion in other parts of the economy so that total product will increase rapidly and continuously. Factories are thus tools of growth; they are also symbols. Modern power plants, steel mills and machinery that makes machinery are indelible components of what the citizens and officials of a poor country "need" in their quest for economic expansion.

One basic attribute of the potential diversity and efficiency of industry is the role it can play in providing the capital goods for expansion. Industry will produce the diverse consumer goods people want and the machinery that facilitates diversification. Moreover, industry offers a broader entry to the export market, to permit imports of goods and services better produced elsewhere. Industry has the potential to make a country more independent of foreign sources of supply for capital goods while it can enhance a country's ability to depend upon foreign sources of supply. It is the prime sector of "import substitution" and "export stimulation."

PLANNED EXPANSION

The industrial emphasis of the plans indicates a hoped for 20-fold expansion in industrial investment. From less than 20 per cent of all investment in the First Plan, industry was to receive 40 per cent in the Fourth and Fifth. Within industry, public investment was to grow even more rapidly. And the role of industrial product was to expand, more or less in line. Value added in modern industry was to show a 15-fold expansion from 1950-1951 to 1975-1976.

¹ India's Third Five Year Plan indicates that, within a 70 per cent increase projected in the total index of industrial production, there would be the following increases: cotton textiles, 18 per cent; machinery (all types), 143 per cent; chemicals, 150 per cent; iron and steel, 160 per cent.

² India's sales abroad, some Rs. 575 crores in early plan years, were dominated (about 60 per cent) by jute and cotton yarn and textiles, and by tea. Manufactured goods other than textiles contributed less than 10 per cent of the total.

Within modern industry, planning became increasingly explicit with respect to the output of capital goods and of intermediate goods. Basic policy on this matter was formalized by 1955; with the Third Plan this policy was built scientifically into specific targets.¹ Intermediate goods and capital goods together were to be four times as important as consumer goods by the end of the Fifth Plan.

Such changes were essential to India's scheme for continued growth. Successive plans were expected to decrease the degree to which Indian investment needed to depend upon foreign assistance, from some 18 per cent during 1951-1956 to essentially zero after 15 to 25 years, as originally envisaged. Given the extent to which modernization itself depended upon machinery and intermediate goods from abroad, this objective called for a large (relative) expansion in India's exports or a large (relative) reduction in Indian imports. Since India would continue to require new industrial goods for many plan periods, and since export expansion was considered a difficult process, India's own intermediate goods and machinery were to supply the capital goods insofar as possible. These same products, plus diversified output from consumer goods industries, could also broaden the range of Indian exports.²

The import substitution process is readily illustrated in the case of machinery. India added approximately Rs. 850 crores of new machinery to its economy in 1960-1961; it projected needs of roughly double that level for 1965-1966. Machinery imports were 47 per cent of total supplies in 1960-1961. If domestic production of machines had not expanded, India's imports would have had to be Rs. 1250 crores to achieve its goal. If production had increased so that imports retained their relative importance (47 per cent) the import bill would be Rs. 800 crores. With a more rapid expansion projected in output imports would increase to Rs. 500 only. Eventually, by 1975-1976 in recent projections, most machinery imports would be replaced by growth in domestic production. This illustration understates the import drain of machinery, since important intermediate

products also originate abroad. There are foreign exchange costs in the Rs. 300 crores figure for 1960-1961. But the very large expansion planned in this intermediate goods category suggests that there are possibilities for substitution there also.

Finally, where India exported a very small amount of machinery in 1960-1961 (less than Rs. 15 crores), magnitudes twice as great were visualized in 1965-1966, and 10 to 15 times as great during the Fifth Plan. In 1975-1976, machinery exports alone could thus provide an eighth of the total of exports sufficient to pay for essentially all the imports of a nation which could then continue to grow without foreign assistance.

The very complexity of the industrial structure, with its high inter-industry and inter-sectoral relationships, imposes specific definition upon the plans. Planned industrial development demands technical knowledge. Expansion in one area, steel, must be coordinated with the supply of coking coal, coal-washing facilities, specialized transport, and other inputs on the output side, as well as on the demand side, with growth in industries which will need more steel. Without such knowledge, it remains difficult to decide where to start expansion or where action will induce other expansion. The needs of planning in industry demand the articulation of input-output tables and the calculation of dynamic capital coefficients. It is India's industrial programs that make the Planning Commission the home of India's promising statisticians and economists. An economy at once committed to freedom, to free markets and to planning discovers crisis problems in industry. The problems of Indian development are at least as much problems of making the plans work as they are the formulation of technically consistent and feasible plans.

ACHIEVEMENTS

The industrial achievement has been significant. Output in major industries is a multiple of production in the last pre-plan year: in 1967, finished steel output was 4.5 million tons, in 1951, just below one million; diesel engines were 75,000, as against 5500;

fertilizers (nitrogen content) 235,000 tons, against 9000 tons; the value of machine tools increased 100 times. Many of the products that now flow from production lines were entirely imported in pre-plan years; tubes, transmitters, electric locomotives, hydro-generators, heavy electric motors, tractors, mining machinery, and more. Industrial products are helping to reduce the imported percentage in India's new industrial installations, and in their current raw materials and intermediate inputs. They find their way throughout the world. The contribution of modern industry to India's total product has probably reached 15 per cent. The Indian economic scene has literally been transformed through the vigor and diversity of the nation's industrial expansion.

Yet the record is below what was planned. Some 85 per cent of the modern industrial growth projected in the first two plans was actually achieved. A more significant shortfall occurred in the Third Plan years: instead of about doubling, as planned, value added in 1965-1966 rose by some 50 per cent above 1960-1961. The ratios do not distinguish growth in capacity and in output. The 85 per cent figure for 1951-1961 refers mostly to capacity; during the Third Plan the shortfalls were fairly even in capacity and in degree of use. In the past two (Fourth Plan) years, the important characteristic was the degree of underutilization of capacity. Through 1965-1966 private enterprise seemed to be able more nearly to achieve officially announced goals (with such notable exceptions as fertilizer) than did public enterprise. The latter moved more slowly than resource availabilities would have permitted.

Increasingly, and especially during the Second Plan, costs began to rise and foreign exchange became more limited. Plans tended to commit completion dates and costs prematurely. There was thus a lag in new capacity, a need for arranging additional financing. Public and private sectors shared in this experience, although public industry had less prior experience on which to draw. Total expansion in industry to date, though significantly below target, seems to have in-

volved total expenditures well above the level projected, even in real terms.

STEEL AND FERTILIZER

Some expansion in existing private steel mill output and some output from a new public mill were anticipated during the First Plan. Relatively little new production was in fact achieved, but plans were made for three one-million-ton public steel mills, as well as for private steel expansion, notably an essential doubling of the output of the Tata mill at Jamshedpur. These became core components of the Second Plan, which set a target of 4.3 million tons of finished steel by 1960–1961, 2 million of which were to be in the three public mills. The actual figure in 1960–1961 was 2.3 million tons, with 0.6 from the public sector. There were understandable delays in the scheduling of component parts and construction, complicated by the diverse foreign authorities (British, German, Russian) who were integrally part of the individual projects. Money costs turned out to be about double the original plan estimates.

The Third Plan target for finished steel was 6.8 million tons. The vast bulk of this was to come from expanded capacity of the three public mills (Bhilai, Durgapur and Rourkela) plus some very beginnings from the fourth mill in Bokaro. Total production in 1965–1966 was actually about 4 million tons. Only the expansion in one mill (the "Russian" mill at Bhilai) was completed; the other two remain in process, delayed partly by problems of financing. After long international discussions on funding possibilities, construction at Bokaro was begun, with Russian cooperation, in 1967. Recent plans projected total steel capacity in India at nearly 15 million tons by 1970–1971.

Growth of capacity in steel is primarily a record of public decision and implementation. Delays in plan fulfillment are inevitable aspects of a complicated engineering, financing and administrative task. Though steel has increasingly become a public sector product, about half of total mill output moves into the private sector: price and control policies for steel and for its products influence demand.

The patterns of steel output and of steel imports have been sensitive to quality and price differentials between Indian and foreign steel products. Changes in government policy on prices and controls since 1963–1964 may have been as important as expansion of domestic capacity in reducing the import percentage. But even within the present year, licensing has had to be tightened; imports are authorized only with non-availability certificates from domestic steel producers. While India still anticipates annual imports of 1–2 million tons over the next five years, these are meant to be special steels. Exports should increase from their current very low levels to perhaps one million tons by the end of the Fifth Plan.

Production of fertilizer, and especially nitrogenous fertilizer, has been a major objective in India over the entire period of planning. In 1950–1951, consumption of nitrogen was about 60,000 tons (N basis), with less than 10,000 tons produced domestically. Capacity of 300,000 tons was set for the First Plan, but less than one-third of this was achieved: actual output of 80,000 tons (N) is reported for 1955–1956. Factory construction at Nangal, Neiveli, and Rourkela, scheduled to begin in the First Plan, was actually started during the Second. But some expansion did occur at the government plant at Sindri as well as at smaller private plants. The target for 1960–1961 was again set at 300,000 tons, but of the new plants only Nangal was in production by that date. Total output did not quite reach 100,000 tons. Capacity in public plants was originally planned at 800,000 for 1965–1966, with a national goal of one million tons. Private capacity was encouraged for expansion of existing and for new facilities. Discussions in the early 1960's were promising in this regard, so that the Third Plan scaled public plants down to some 650,000 tons. During the plan, however, total capacity reached less than 600,000 tons, and actual output in 1965–1966 was but 225,000 tons. Very little of this was in private plants; two projects undertaken during the plan are still incomplete. Major public installations at Durgapur and Cochin are now scheduled for 1969. The draft

Fourth Plan indicated production of 2 million tons by 1970-1971, 4 million by 1975-1976.

The record here reflects the indecision of national authorities on agricultural programs: public resources were committed here less enthusiastically than in steel, for example. Private interests were not attracted to an area so dominated by government. The complexity of the process and the extent to which inputs are shared with other industries have made capacity balance difficult for a central planning authority. Thus a major explanation of the gap between nitrogenous fertilizer capacity and output in 1965-1966 was inadequate gas availability and power shortages, especially for the Rourkela plant.

India is proceeding with machine building plants as a central cog in her program for industry, overall growth and economic independence. In light machinery—machine tools, textile machinery, boilers, motors—capacity is already large. But important investments are being made, mostly with foreign assistance, in major heavy industrial machinery complexes. Some of the largest are in machine building (Ranchi), electricals (Bhopal and Hardwar), mining (Durgapur), apart from machine construction intimately associated with the public steel centers. These vast industrial complexes are India's real thrust in the machine-building area. Conceived in the First Plan, and formally initiated in the Second, construction and assembly are now approaching production. Complex machines associated with an advanced stage of industrialization will become available—to replace imports and perhaps to provide new exports. Their ultimate pay-off in the economy cannot yet be appraised.

PROSPECTS

What significance does India's vigorous industrial expansion have for overall development and the prospect of a modern economy able to sustain continuous growth? It is true that performance has to date been below plan, but economic projections for a tradition-bound society "being modernized" are not straightforward tasks. Any answer must com-

pare gains from alternative investment patterns, where projections might also differ from expectations. There is much that is appealing in the "assured" path of self-contained modernization presented by India's planners. The "gains from trade" of economic theory do not identify export possibilities. Traditional agricultural exports could have been expanded, but their relative economic merits over diverse goods from a flourishing industry are debatable. Uncertainties notwithstanding, some effects of India's industrial emphasis can be indicated.

It is possible that the government's concern with expanding industry has meant a relative neglect of agricultural output. While there is some tendency to attribute agricultural adversities to bad weather, official attention to agriculture was in fact stronger in words than in deeds. Nor need the two development efforts be competitive. Indian planners may have felt that industry deserved priority attention because success in industry would also stimulate agricultural output. Thus the greater employment elasticity of industrial expansion might attract labor from rural areas and increase agricultural productivity. Industry's agricultural products (fertilizer, pesticides, agricultural machinery) would enhance agricultural prospects, and an increasing diversity of new consumer goods would stimulate the desire of peasants to produce more.

Actually, industrial expansion turned out to be a reasonably straightforward process, once appropriate authorities decided to proceed. Agricultural expansion requires a decision by millions of entrepreneurs, very many of whom are not geared to commercial market activity. The record shows very diverse movements in output in the two sectors. High prices for food, limited supplies and high prices for raw materials and intermediate goods contributed to higher prices for all manufactures. Domestic terms of trade moved against industry in the Third Plan. High agricultural prices benefited middlemen and wealthy farmers; most farmers consumed their high-value grains and, like most urban consumers, were not buying industrial prod-

ucts. Even this very general presentation indicates the adverse influence of limited agricultural development upon industry. The sequence is in fact a still broader one. The very extensiveness of the labor commitment to agricultural and rural-based activities assures that poor crops mean limited growth in overall national product. There were thus disappointments in tax yields and in government borrowing from the private sector, which in turn had negative repercussions upon demand for industrial products, now on the part of government itself.³

While industry has increased its labor force (by 40–50 per cent over the 15 years) and while industry has expanded investment, it is hard to identify significant derived employment from this expansion. Derived employment, so important to India's total plan of growth, has yet to become apparent. Similarly, the savings ratios in big business seem not to have grown more than savings in other private parts of the economy. As of the early Fourth Plan, industrial expansion has not revealed itself as a propelling force on other sectors of the economy.

IMPORTS

With respect to industry's effect upon India's foreign economic independence, rapid industrialization initially means more imports—for machinery and parts, for many raw materials and intermediate products. Soon however some of these begin to be domestic; "... in machine tools we used to import 91.6 per cent of the total supply in 1950–1951, the figure went down to 44.6 per cent in 1964–1965"⁴; "by the end of the Fourth Plan we would be meeting 75 per cent of a much larger demand."⁵ "In sugar machinery the figure has gone down from 100 per cent to 4.1 per cent, textile machinery from 100 to 56.5 per cent" ... "in petroleum products (other than kerosene) from 91.5 to 1.6 per cent and in aluminum from 74.8 to 29.7 per

cent. However, in several cases the total demand has increased so much that in spite of a larger proportion being manufactured indigenously the total imports have tended to increase. In some cases there are substantial imports of components."

... If the programme put forward in this Plan is implemented, the country would have by 1970–1971 the capacity to build its own steel mills, fertilizer plants, equipment for power generation, transmission transport and a variety of other equipment.⁶

Still, total imports continue to grow relative to national income except where, as in recent years, the financing arrangements have not permitted the needed imports, with serious consequences for the economy as a whole. Whatever the inroads of domestic production into capital goods imports, the total position warranted a recent official judgment that "the impact [of import substitution] may be small considered in relation to total requirements." Nor has there yet been appreciable export stimulation from industrial output. India's dependence on net assistance has grown relative to total investment requirements. The record of foreign transactions to date does not support the prospect of a closing of the gap during the Fourth and Fifth Plans as revealed in perspective (official) drafts. While they have made allowances for the effects of rupee devaluation in June, 1966, they obviously precede Fourth Plan termination in December, 1967. In what direction are further changes apt to take place?

For the next decade or more of planning, the first order for success in Indian industry lies in success in Indian agriculture. More than 150 million persons in India's labor force

(Continued on page 246)

³ Government demand also declined because of reduced flows of foreign assistance.

⁴ *Fourth Plan* (draft).

⁵ *Ibid.*

⁶ *Fourth Plan* (draft).

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Describing the many problems of Indian agriculture, this expert says that "in spite of copious land legislation, . . . a substantial part of Indian agriculture still bears the burden of uneconomically small and fragmented holdings, tenurial insecurity and share-cropping."

Indian Agriculture: An Analysis of Recent Performance

BY PRANAB BARDHAN

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IN THE LAST few years, Indian agricultural problems have become a matter of international concern. The immediate occasion was, of course, the problem of acute food scarcity, caused mainly by two consecutive years of disastrous crop weather in 1965–1966 and 1966–1967, in a country of 500 million people. The acuteness of the crisis will certainly be relieved to some extent by the prospect of a bumper crop in the current year. But this should not divert attention from longer-run problems which afflict the Indian agrarian economy. We shall briefly discuss some of these problems in the context of the agricultural performance over the last decade and a half.

Describing the trends in production, 1952–1953 can be regarded as the initial year in our calculations, since by 1952 the economy had substantially recovered from the disruptions and dislocations of the preceding decade like the war and partition, and the minimum technical and organizational foundations for long-range planning had been laid. It is also important to note that 1952–1953 was a "good" agricultural year from the standpoint of crop weather compared to the two preceding years. In most of our calculations¹

the end-year is 1964–1965, which was another "good" agricultural year. Although some data are available for 1965–1966 and 1966–1967, since they were exceptionally "bad" years, choosing either of them as an end-year would have biased our calculations, particularly since we are interested more in the long-run factors. Production of foodgrains is estimated to have been 61.68 million metric tons in 1952–1953, 78.7 million metric tons in 1958–1959 and about 89 million metric tons in 1964–1965. In 1965–1966 it was 72.3 million metric tons.

A more meaningful estimate would, of course, take foodgrains production per head of population. Per capita production of foodgrains was about 164 kilograms in 1952–1953 and 182 kilograms in 1964–1965. This, however, does not give the full picture of the net *availability* of foodgrains per head of Indian population, since part of the gross production goes to provide for seed and feed requirements and wastages which, taken together, are usually estimated at 12.5 per cent of gross production of foodgrains.

There is also the supplementary factor of imports. Imports of foodgrains increased, from an annual average of about 3 million metric tons during the 1950's to more than 6 million metric tons during the Third Plan period (1961–1966). Even in the bumper

¹ All the data in this paper are from publications of the Ministry of Food and Agriculture, Government of India, unless otherwise mentioned.

crop year of 1964–1965, imports of foodgrains amounted to about seven per cent of domestic output. Between 1952 and 1965, imports of cereals, however, never exceeded 10 per cent of total domestic cereals production. It has been calculated that the per capita net availability of foodgrains increased from 14.5 ounces per day in 1953 to 16.8 ounces per day in 1965. This implies that even in the good year of 1964–1965, the “average” Indian could derive only about 2145 calories per day from the foodgrains available to him. In this connection one may note that the *minimum* nutritional requirement for the Indian population on the basis of the scales prescribed by the Indian Nutrition Advisory Committee has been estimated² to be 2370 calories and 66.6 grams of protein per day per head.

The rate of growth of production in this period has not been very low. Between 1952–1953 and 1964–1965, total crop production grew at an annual compound rate of 3.01 per cent, and total production of foodgrains at 2.5 per cent. One may compare this rate of growth with that in Japan after Meiji Restoration, a period in which Japan is generally regarded as having achieved an impressive rate of growth in agricultural production. Between 1880–1884 and 1915–1919, the Japanese rate of growth of agricultural output was 1.8 per cent.³ But whereas Japan in this period had a rate of growth of population less than 1 per cent per year, the corresponding rate in India was 2.14 per cent in the period between 1952–1953 and 1964–1965. This largely explains why India has to run very fast to remain in the same place.

Apart from the fact that the high rate of population growth cancels much of the im-

pact of agricultural growth, there is the added problem of mobilizing (either through the market or government procurement) from the villages enough food for the growing demand of the non-agricultural sector, in view of the rising tempo of industrialization and urbanization. Since farmers tend to retain a very large proportion of their rising grain output for their own consumption and for feeding livestock, the amount supplied to the industrial sector as a proportion of output does not rise fast enough to support the pace of industrialization. As a matter of fact, according to one rough estimate,⁴ marketed proportion of gross production of cereals in India went *down* slightly from 27.2 per cent in 1953–1954 to 26.1 per cent in 1961–1962. This proportion may have declined further in more recent years. This tends to generate inflationary pressures in an economy where the major component of the cost-of-living index is the price of foodgrains.

FACTORS AFFECTING PRODUCTION

Once the urgent need for raising production and the actual performance in this respect has been noted, the next obvious step is to analyze the factors that affect production. The factor of production in agriculture that comes to mind is, of course, land. In India, gross sown acreage under all crops was 144.2 million hectares in 1954–1955 and 153.8 million hectares in 1964–1965. Although there was some addition to sown acreage in the early 1950's through land reclamation and so forth, on the whole it is true to say that the land “frontier” in India has been more or less exhausted. The possibilities of further expansion in acreage are not substantial, and the most promising means of increasing production is, and will increasingly be, more intensive and efficient cultivation of existing farmland.

This brings up the question of the land productivity situation in India. Yield per hectare of land was 0.81 metric tons in 1952–1953 for rice and 1.07 metric tons in 1964–1965; for wheat it was 0.78 metric tons in 1952–1953 and 0.9 in 1964–1965; for all foodgrains it was 0.59 metric tons in 1952–

² See P. V. Sukhatme, “Food and Nutrition Situation in India,” *Indian Journal of Agricultural Economics*, April–June and July–September, 1962. One might also note here that about 75 per cent of calorie intake in the average Indian's diet is from foodgrains.

³ See the estimate by Yamada, as reported in B. F. Johnston, “Agriculture and Economic Development: The Relevance of the Japanese Experience,” *Food Research Institute Studies*, No. 3, 1966.

⁴ See P. Bardhan, “Chinese and Indian Agriculture: A Broad Comparison of Recent Policy and Performance,” MIT Department of Economics Working Paper No. 13, January, 1968.

1953 and 0.75 in 1964–1965. These productivity figures are among the lowest in the world today. Even in China, the rice yield per hectare is about *three* times that in India; and the Japanese yield today is more than *four* times that in India. There is, therefore, a considerable scope for improving the productivity of Indian land provided the crucial agricultural inputs are available.

A major factor in improving and even maintaining soil fertility and increasing crop yields is the supply of soil nutrients in the form of organic manure and chemical fertilizers. Through centuries, farmers in India have been applying considerable amounts of organic manure and it is still the major source of crop nutrients. Information on the use of organic manure is very scant but, according to rough estimates,⁵ organic manure provided about 1 million metric tons of nitrogen (Indian soil is most deficient in nitrogen) in 1955–1956. Even substantial increases in the supply of organic fertilizers will, however, be grossly insufficient in view of the fertilizer requirements for the desired growth in agricultural production. The consequent need for a huge expansion of chemical fertilizer production and consumption is now recognized in all quarters. In India, the use of chemical fertilizers in agriculture is of comparatively recent date, and the amounts used per hectare of land are among the lowest in the world. Consumption of nitrogenous (N), phosphatic (P_2O_5) and potassic (K_2O) fertilizers per hectare of gross cropped area in India was 0.9 kilograms in terms of crop nutrients in 1955–1956 and 4.9 kilograms in 1964–1965. These figures are miserably low relative to those in countries like Japan; even in China use of chemical fertilizers per hectare is more than twice as large.

For effective application of chemical fertilizers, as for normal crop growth and more

intensive cropping, an adequate supply and regulated use of water is necessary. In the last two decades, a great many flood-control and irrigation programs have been carried out. Gross irrigated area under all crops was 23.2 million hectares (16.9 per cent of gross cropped area) in 1952–1953, and 30.6 million hectares (19.5 per cent) in 1963–1964. These are not very high percentage figures, particularly in a country where vast areas do not have adequate and assured rainfall. In spite of much improvement, the agrarian economy is still considerably vulnerable to periodic floods and droughts, as evidenced by the extent of annual harvest fluctuations. Besides, the major emphasis so far has been on the protective harvest-stabilizing aspects of water projects; only in very recent years has irrigation started to play a more positive role of facilitating the use of improved farming techniques.

Apart from fertilizers and water, another—quite often complementary—crucial input in transforming traditional agriculture is improved seeds. In India, area sown under improved seeds increased from 1.3 per cent of total gross cropped area in 1955–1956 to 29.5 per cent in 1964–1965. Most of the improved varieties of seed developed in India were, until recently, designed for their drought-resisting quality. This was understandable under Indian conditions, where the major risk of cultivation was in the failure of monsoons. But the response of these varieties to high fertilizer doses was very limited. In very recent years there has been a major breakthrough in Indian agriculture which is expected to show up in production figures fairly soon. This is the introduction of high-yielding varieties of hybrid seeds which have a very high fertilizer response.

REMUNERATIVE PRICES?

It has sometimes been argued⁶ that Indian farmers are inhibited from using these productivity-raising inputs because they do not get remunerative prices for their crop or because the prices they have to pay for these inputs are extremely high. Let us examine this question in some detail. Index numbers

⁵ National Council of Applied Economic Research, *Long Term Projections of Demand for and Supply of Selected Agricultural Commodities*, 1962, p. 123.

⁶ See, for example, E. Mason, *Economic Development in India and Pakistan* (Cambridge: Center for International Affairs, Harvard University, 1966).

of wholesale prices of agricultural commodities went up from 100 in 1952–1953 (it should be noted here that the 1952–1953 level of wholesale prices of agricultural commodities was more than four times that of the immediate pre-World War II period) to 122.9 in 1961–1962, after a short but sharp dip in the middle of the 1950's, and to 155.8 in 1964–1965 (they shot up to 199 in the crisis year of 1966–1967). So absolute prices of agricultural commodities have gone up considerably in this period. There is, still, some indication that the price of agricultural commodities relative to that of manufactured consumer goods which the farmers buy has declined to some extent over most of this period. Estimating the ratio of index numbers of wholesale prices of agricultural commodities to those of some of the major manufactured consumables like cotton manufactures, sugar, edible oils and "fuel, power, light and lubricants" purchased by the agricultural sector, we find that it was *below* the 1952–1953 level⁷ for the period between 1954–1955 and 1963–1964, and has been above the 1952–1953 level only since 1964–1965.

It should, however, be pointed out here that in the Indian context of low inter-sectoral mobility of scarce resources, the adverse effect of low *relative* prices of agricultural commodities on *total* agricultural production is likely to be much weaker than in advanced countries. Production of individual crops is, of course, more sensitive to changes in relative prices of competing crops as they compete for acreage and other inputs like water and fertilizers. As an example, since 1952–1953 the price of non-foodgrain crops like sugar, cotton jute and groundnut relative to that of foodgrains has steadily increased, which must have contributed to the fact that acreage under non-foodgrains has grown at a rate more than twice that under foodgrains.

⁷ It should be noted, however, that the 1952–1953 level of this ratio was much higher than that in the prewar period.

⁸ See U. Datta Choudhury, "Technological Change in the Indian Economy, 1950–60," *Economic and Political Weekly* (Bombay), August 20, 1966.

In this connection one might also refer to the price-dampening effect of imports of wheat from the United States under Public Law 480 agreements. Until 1964, the price of wheat remained below the 1952–1953 level while that of other crops was much above, and this must have something to do with the fact that net import of wheat was between one-fourth and one-third of the net availability of wheat in India over most of the period. Imports of American wheat have been an important factor in relieving acute consumer distress in some years, but over the period as a whole they are likely to have had a depressing effect on incentives in domestic wheat production; the Indian government's policy of distributing imported wheat even in good crop years instead of building up an adequate buffer stock has accentuated this problem.

As for price of inputs purchased by farmers, the fertilizer-crop price ratio in India is one of the highest in the world. In 1957, the price of nitrogen relative to that of rice was 3.22 in India, 2.12 in Japan and 1.46 in the United States. But there is no evidence to suggest that this factor has inhibited the farmers' use of fertilizers. On all calculations, the net return of fertilizers is often so very large, particularly after the introduction of high-yielding varieties of seeds, at the present low rates of application in India that it is not surprising to find farmers' demand for fertilizers tending to outstrip available supply even at the existing extremely high fertilizer-crop price ratios. The major bottleneck in the extension of fertilizer use has been its scarcity. The old idea of the illiterate and superstitious Indian farmer not responding to the opportunity of using chemical fertilizers and other improved techniques on his farm is now terribly outdated.

AGRICULTURAL INVESTMENT

There has been some complaint that India has not invested enough in her agricultural sector. Gross investment in agriculture and allied activities constituted⁸ about 20 per cent of total gross investment for the period 1951–1952 to 1960–1961. This figure for investment allocation to agriculture is not very high,

nor is it extremely low,⁹ particularly for a country with an urgent program of industrialization. Certainly the share of investment used in building the industrial base of the economy was much higher, but then no country aiming at structural transformation of the economy can be expected to allocate investment in proportion to existing sector shares in national income. Besides, in Asian agriculture, investment in fixed capital may not always be the most important determinant of any significant productivity rise; much depends on *industrial* investment in producing fertilizers, pesticides and pumps.

EFFECTIVE INVESTMENT?

Even if complaints about neglect of agriculture in investment allocation are justified, there are probably stronger reasons to question the *effectiveness* of investment that has been made in the agricultural sector and the appropriateness of the investment priorities actually followed *within* the industrial sector itself. Let us take the second aspect first. In spite of planners' intentions to the contrary, while industries catering to luxury and semi-luxury consumption have often spawned an undue amount of investible resources including foreign exchange (this has been made possible largely due to the extremely unequal income distribution pattern and loose government control over investment) and have sometimes overfulfilled their production targets, investment and production performance have fallen grossly short of the desired pattern in respect of, say, chemical fertilizers. In the Third Five Year Plan period less than 30 per cent of the target was achieved in production of both nitrogenous and phosphatic fertilizers. In the Second Plan period also, actual production at the end-year was only 34 per cent of target in nitrogenous fertilizers and 45 per cent of target in phosphatic fertilizers.

⁹ According to U.N. publications, in 1949-1958, agriculture accounted for 13 per cent of gross fixed investment in Italy, 8.8 per cent in Yugoslavia, 11.2 per cent in France, 6.6 per cent in the U.S.; in Japan, agriculture accounted for 19 per cent of total investment in the period between 1956-1957 and 1960-1961.

As for effectiveness of investment, agricultural programs have suffered from serious technical deficiencies as well as poor management and coordination. As the different Programme Evaluation Reports to the Planning Commission have amply testified, there have been serious shortcomings not only in the input distribution and extension service aspects of agricultural programs but also in the technical suitability or local adaptability of various items in those programs. Water, fertilizer or seed programs have been pushed without sufficient consideration of local soil, climate conditions, cropping patterns, cultivating practices and the crucial complementarities in the use of different factors of production. Farmers have sometimes refused to adopt new inputs and technology, not out of irrationality, ignorance or fatalism, but due to a better appreciation of their local unsuitability or technical complementarity than is to be found in the administrative officials pushing those programs (apart from the risk factors involved).

Talking about investment in the agricultural sector one might point to the fact that, given sufficient organization, there is considerable scope in India for mobilizing the vast masses of unemployed and seasonally underemployed rural labor on labor-intensive investment projects like minor irrigation, flood control, land reclamation, contour bunding, terracing, leveling and road building. The Indian plans and the Ford Foundation Agricultural Production Team in India in 1959 endorsed this policy, after pointing out that a vast number of such rural construction projects could be undertaken with very little extra equipment. In China, in recent years, staggering amounts of earthworks have been constructed by mass mobilization of labor in the countryside. In comparison, the Indian performance so far has been very poor.

Apart from organizational problems, one should take note of the important incentive problem in the distribution of benefits from such rural construction projects. In India a major problem in mobilizing labor on such projects is that those who work on them do not receive proportional benefits from them.

As report after report of the Programme Evaluation Committees has stressed, most of the benefits from Community Development Projects in India have accrued to richer farmers. No wonder that the mass of poor peasants and agricultural laborers do not feel excited by these projects. In irrigation projects also, the distribution of water is very inequitable¹⁰ and it is a major reason for the poor maintenance of field channels. The rural institutional framework in India has severely constrained the effectiveness of much of the development program. This immediately raises the question of land organization and institutions in village India.

LAND LEGISLATION

A great deal of land legislation has been undertaken in India in the last two decades. The major objectives of land policy were the abolition of intermediary tenures, reform of the tenancy system—including fixing of fair rent at one-fifth to one-fourth of the gross produce and security of tenure for the tenant—extension of owner-cultivation, ceilings on land holdings making possible a redistribution of surplus land among landless laborers, consolidation of agricultural holdings and increase in the size of the operational unit to

¹⁰ Let us cite not a very uncommon example of water distribution from the Thorners' observations on the operation of Sarda Canal in Uttar Pradesh: "Throughout the Sarda system it is the general rule that the strong, the powerful, the well-connected, the local bullies dominate the use of irrigation water. They get water first and they tend to take as much of it as they please. Only after they are satisfied do they permit the mass of ordinary, unimportant, petty cultivators to have access to it. The mass of ordinary cultivators have to conduct their affairs as though the supply of canal water was problematical, an intermittent blessing to be welcome when it comes, but not to be counted on. . . . This was our finding in more than half of the 68 villages we visited." See Daniel and Alice Thorner, *Land and Labour in India* (New York: Taplinger, 1962).

¹¹ See P. S. Sharma, "A Study of the Structural and Tenurial Aspects of the Rural Economy in the Light of 1961 Census," *Indian Journal of Agricultural Economics*, October–December, 1965.

¹² It has been estimated that for the areas with assured rainfall (of 1,150 mm. a year or more) the area covered by holdings under pure and mixed tenancy is 27.6 per cent, and for areas with extensive irrigation (with 50 per cent or more of gross sown area under irrigation), it is as high as 35.3 per cent.

an economic scale through cooperative methods. These programs have been enforced in part and have met varying degrees of success or failure.

The program for the abolition of intermediaries has been carried out practically all over the country; about 20 million tenants of former intermediaries have come into direct relationship with the state and became owners of their holdings. Far less effective has been the program of tenancy reform. A considerable proportion of the total area cultivated is still under tenancy. According to the 1961 census, of the total cultivated area in rural India, the proportion of holdings under "pure" and "mixed" tenancy is 22.4 per cent.¹¹ The actual importance of tenancy in rural India may, however, be more important than this figure suggests for two major reasons. First, since the prevalence of tenancy is significantly higher in the wet and therefore generally more productive areas (including irrigated land) than in the dry areas, loss from tenant cultivation is more than is suggested from the average all-India figure.¹²

Second, what may not have come out in official data is that land legislation in some areas has in fact driven underground some forms of tenancy; numerous cases of eviction of tenants have taken place under the guise of "voluntary surrenders" and informal arrangements have been made with share-croppers disguised as agricultural laborers. The high pressure of population on land as well as the balance of social and political forces in the countryside has made it possible for land owners to impose such arrangements on the landless and defenseless agricultural population.

This has tended to defeat the major aim of protective tenancy reforms. On the subject of the rights of tenants, it is worthwhile to quote from the Report of the Committee on Tenancy Reform for the Planning Commission:

Even where the tenants are aware of their rights they are generally in too weak a position both economically and socially to insist on their rights. The landlord class includes money-lenders and tradesmen upon whom the tenants have

frequently to depend for credit and other necessities of life. Socially the tenants often belong to the backward classes and are afraid of exercising their rights against the higher classes. If the tenancy laws are to be effective, it is necessary that they should be very simple and behind them there should be an administrative support to counteract the effects of the social and economic weaknesses of the tenants. On the contrary, in many States there is no administrative machinery within easy reach of tenants. In some States, there are no village records from which a tenant can establish his position . . . [even where there are], the landlord has so much influence in the village that frequently it is very difficult for the tenant to establish his position by oral evidence and, even if he tries to do so, the trouble and expense of taking his witness out of the village to a distant court frequently deters him from doing so. Finally, the attitude of the revenue officers may at times be unconsciously against him. . . . In the case of conflicting evidence, there is a greater tendency to believe the landlord rather than the tenant, the presumption being that a poor man is more likely to speak untruth with a view to obtaining some land than the rich landlord who, having already enough land, may not be under immediate pressure to do so.

The tenant cultivator with insecure tenure has little incentive to undertake long-run improvements in the land he cultivates. Besides, his capacity to invest is seriously limited by high rents and limited access to even cooperative credit. The rents as fixed by tenancy laws are still very high in several states and in others the rents charged are generally much higher than the legal maximum. As for credit, among all the occupational categories based on agriculture, the tenant cultivator figures the least in proportion to his importance among the beneficiaries of credit programs. This is mostly because even cooperative loans continue to be given generally against the mortgage of land, and there has not been any significant shift to the crop loan system in most states.

Among tenant farms a more acute incentive problem arises in the case of share-croppers. Little information on the extent of

share-cropping is available from census publications, but from National Sample Survey data for the 8th Round (1954-1955), it seems that at least 56.5 per cent of tenancy areas is under formal or informal share-cropping and that only 20.8 per cent of tenancy areas may be definitely free from share-cropping. Share-cropping may thus be regarded as still the predominant form of tenancy in rural India.

Crop-sharing tenancy without cost-sharing (as is generally the rule in India) obviously involves an added disincentive problem in application of new agricultural inputs like chemical fertilizers, compared to the case of tenancy with fixed cash rent. It is easily shown why the share-cropper paying a very high proportion of his gross produce as rent may be reluctant to adopt a new input even when he knows that this will bring some addition to output. One can cite from recent Farm Management Studies the case of Thanjavur district in Madras where with "moderate" response rates, the tenant receiving 40 per cent of the share of the crop has little incentive to apply the second one-third of the package of improved practices and none at all to apply the last third.

SMALL HOLDINGS

Leaving aside the problem of tenancy, a major affliction of Indian agriculture has been and still is the prevalence of small and fragmented holdings.¹³ According to National Sample Survey 16th Round data on Land Holdings for 1959-1960, 30.6 per cent of the total area operated is in holdings of less than 7.5 acres, 53.7 per cent is in holdings of less than 15 acres, 75.6 per cent is in holdings of less than 30 acres. A substantial proportion of cultivated area is thus being operated in holdings that are "uneconomic" by most stand-

(Continued on page 241)

¹³ Holdings get progressively smaller through the operation of the law of inheritance. Legislation has been adopted in the several states to prevent subdivision below a prescribed minimum size. But on account of excessive pressure on land, such laws have not been effective at all.

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Citing a United Nations statement on India that "without . . . a true priority to family planning, which inevitably means the diversion of effort and resources from other desirable objectives, the program will not succeed . . .," this expert analyzes India's future in terms of her population planning efforts.

The Population of India

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ONE OUT OF EVERY SEVEN people on the earth today inhabits the Indian subcontinent. Indians occupy less than 2.5 per cent of the world's land area while accounting for more than 14 per cent of the world's population. Numbering more than 500 million, they make India the earth's second most populous nation. The significance of this figure is apparent when one considers that the combined population of either the U.S.S.R. and the United States, or the combined population of sub-Saharan Africa and Latin America, is *less* than the population of India.

One consequence of such great numbers is high density of population. Estimates vary, but there appear to be over 370 persons per square mile in India. This represents a density approximately 15 times greater than that of Africa, Latin America, North America, and the U.S.S.R. Yet it is a density which Europe is beginning to approach, and which Japan and the Netherlands—with 685 and 935 people per square mile, respectively—have already exceeded.

Such figures suggest that average density measures alone have little discriminative power; they are, for example, poor indicators of a country's prosperity, "have" and "have-not" nations being randomly mixed in high and low density groupings. Under these circumstances, it is useful to consider actual rather than average distribution.

In India, despite some urbanization and industrialization, the bulk of the population remains on the land. Roughly 400 million people are classified as rural residents, and the great majority of these are directly engaged in agriculture. This creates an extremely high rural density and this, more than anything else, distinguishes the Indian pattern of distribution from that of the developed world; that is, vis-à-vis Europe, India has proportionately more of its population living outside of cities and working directly in agriculture. In this sense, India is still a rural agrarian society, but a society nevertheless dedicated to its own modernization, and to the maintenance and control of its huge population. All this is to be accomplished under conditions of tremendous cultural diversity.

Indian society is a mosaic of immensely varied political, social, ethnic, linguistic and religious groups. There are, for example, 17 separate states—with populations ranging from under 4 million to over 70 million—and almost as many major languages. This provides the opportunity for a rich cultural pluralism, but it also holds the threat of dissension and separatism. At the moment, India continues to seek an elusive unity within this diversity. The search for this unity, and the corresponding quest for modernity, are closely related to the question of India's population—its size and rate of growth.

Kingsley Davis estimates that the popula-

tion of the subcontinent was 125 million in 300 B.C., and that almost 2000 years later it was very much the same.¹ This stability was the product of a high constant birth rate and a high variable death rate, which—over the course of time—tended to balance each other out. The result, measured in centuries, was a roughly equal incidence of life and death, which permitted neither population growth nor population decline.

This pattern was gradually modified in the colonial period, to the extent that a limited control of death permitted some population gains. In spite of this, years of advance continued to alternate with years of decline, so that the resulting growth rate was still very moderate up until 1921.

After 1921, this alternating pattern ceased and the rate of population growth increased. Fundamental to this change was an extensive curtailment of mortality without a corresponding reduction in fertility. The death rate fell from perhaps 47 per thousand in 1911–1921 to 17 per thousand in 1967, while the birth rate declined from 48 per thousand to 42 per thousand in the same period; that is, the death rate fell by *more* than 50 per cent, while the birth rate fell by *less* than 20 per cent. The resulting imbalance was and is responsible for the accelerating growth of Indian population.

At the moment this differential—of a birth rate in excess of 40 per thousand and a death rate of less than 20 per thousand—results in a growth rate of 2.5 per cent per year which, if sustained, would double the Indian population in 28 years. It is doubtful that India could support such an increase in this short period of time; it is certain that she could not support subsequent increases of the same size. Barring an increase in mortality, only a curtailment of fertility will bring this cycle of growth to a close. In this connection, it is instructive to consider some of the reasons for the high birth rate in India.

Fertility is high in India because:

—The age of marriage for most women is still very low (less than 16 years on the aver-

age) and the proportion marrying is very high.

—The needs and demands of traditional rural society tend to eliminate childlessness and to require generous reproduction, particularly to ensure the presence of one or more sons (male offspring being considered necessary for economic and religious reasons).

—The early consequences of modernization, by reducing infant and maternal mortality, tend to increase rather than decrease the birth rate.

—The practice of birth control, in spite of a growing interest in family planning, is still very limited.

These factors, as part of a larger social structure, tend to sustain the birth rate at a traditionally high level while—at the same time—allowing and encouraging rapid reductions in mortality. The result of this disjunction between the frequencies of births and deaths is a rate of increase that will bring the Indian population to 775 million by 1985 and to more than a billion before the end of the century.

In the face of such rapid population growth, it will be difficult, if not impossible, for India to meet her development goals. In fact, no modernizing effort, no matter how vigorous, will be sufficient to offset the retarding effect of a rapid increase in numbers. This relationship is seen most clearly in the areas of economic and agricultural development.

ECONOMIC DEVELOPMENT

Since gaining independence in 1947, India can claim some major economic and agricultural achievements. Foremost among these are a 150 per cent increase in industrial productivity, a 400 per cent increase in steel production and in electrical power capacity, and a 62 per cent increase in agricultural production.

Unfortunately, most of these aggregate advances have not resulted in comparable per capita gains. In spite of a substantial national performance, the average citizen is not much better off today than he was a generation ago, and in some areas—particularly food consumption—his situation is actually worse.

¹ Kingsley Davis, *The Population of India and Pakistan* (Princeton: Princeton University Press, 1951).

This apparent paradox is resolved when one recognizes that this increase in national productivity was offset by a comparable increase in population; there was more to share, but there were more people to share it. The breaking of this cycle will require that the economy grow much more rapidly than the population. This and only this will permit sustained improvement at the individual level. Unfortunately, it is difficult to increase the economic growth rate when the population is increasing rapidly.

Under rapid growth conditions, a nation must set aside a disproportionate amount of its product for the support of its new members. To take a simple illustration, if a nation is increasing its product by four per cent a year, and if its population is growing at two per cent per year, this will leave only two per cent for the improvement of the standard of living, the remaining surplus being consumed by the demands of the increased population. Thus the necessity of providing for additional population tends to impoverish both the government and the family, leaving very little for saving, investment and economic growth.

India's rate of population growth has virtually nullified almost all the economic progress of the last 20 years. One dramatic example of this is the attempt to provide adequate employment for her increasing population. In 1961, there were 8 million unemployed; in 1966, approximately 12 million; and in 1971, there will probably be 15 million unemployed—all this in spite of the fact that the Indian government created 13 million new jobs between 1961 and 1966, and expects to create 20 million more jobs between 1966 and 1971. The government's effort is not at fault here, but rather the impossibility of creating jobs as rapidly as applicants at the present rate of population growth.

This same problem is evident in the recent setback of India's total development program. The Third Five-Year Plan, ending in 1966, fell short of its targets in almost all categories, while the present Five-Year Plan—1966–1971—has already been characterized as unrealistic in the face of India's immediate subsistence needs. It is clear that both these disappointments are the result of the sacrifice of long-range development goals to the immediate needs of a rapidly increasing population. This is most apparent in the slow increase of personal income in India. Over the entire period of independence, per capita annual income has probably increased by less than \$25, being not less than \$50 in 1950, and not more than \$75 in 1967.² It remains to be seen how much more rapid this income growth would be if it did not have to compete with expansive population growth.

In approaching this problem, demographer Ansley Coale works with two different assumptions: (a), that fertility will remain unchanged; (b), that it will be reduced by 50 per cent in 25 years. Income per consumer is then calculated for each model. Significantly, after 30 years, income per consumer in the low fertility population would be 40 per cent higher than income per consumer in the high fertility population. After 60 years, the difference would be 100 per cent, and "after 150 years the low fertility population would have an income per consumer six times as high as the faster growing population with unchanged fertility."³

Clearly, India's developmental prospects are inextricably bound up with its population growth. If this growth rate can be markedly reduced, the chances for an economic breakthrough will be greatly enhanced; if not, one is hard pressed to imagine how the standard of living is to be sustained, much less improved.

A POPULATION CONTROL PROGRAM

Prior to 1947, there was a long history of elite interest in family planning. Within the nationalist leadership, for example, the need for population control was apparently accepted by both Mahatma Gandhi⁴ and Jawa-

² *The Times of India: Directory and Yearbook* (Bombay: The Times of India Press, 1967), p. 241.

³ Ansley J. Coale, "Population and Economic Development," in Philip M. Hauser (ed.), *The Population Dilemma* (Englewood Cliffs: Prentice-Hall, Inc., 1963), p. 63.

⁴ In the case of Gandhi it must be noted that although he supported the idea of family planning he considered abstinence the only acceptable means to this end.

harlal Nehru. Unfortunately, this interest was not shared by the British government and no action was taken.

Under these circumstances, one would have anticipated the inauguration of a major program immediately after independence, but this was not the case. Actually—once in power—the new leadership preferred to interpret India's problems in terms of colonialism, or the consequences of colonialism, rather than population growth. Under this assumption, India was suddenly regarded as an underpopulated country. The resulting confusion of indigenous population pressure with British economic exploitation tended to prevent an objective study of the population question, and thus any meaningful action in this area was delayed.

By 1951, however, with the inauguration of the First Five-Year Plan, there was at last an official recognition of the need for population control: "The objective of stabilizing the growth of population . . . must be at the very center of planned development."⁵ Accordingly, a budget of \$1.5 million was provided for this purpose.

As its first subsequent official act, India asked the World Health Organization for aid in promoting family planning. This assistance took the form of an experimental program designed to test the effectiveness of the rhythm method. The resulting field tests demonstrated the unsuitability of this method under existing conditions. The net effect was a loss of valuable time.

In the Second Five-Year Plan, 1956–1961, the family planning appropriation was increased to over \$10 million, but there was still no sense of urgency and certainly nothing resembling an effective national program. In fact, a major portion of this budget was not even spent. This indifference is partially explained by the fact that India believed its rate of population growth to be much lower than it actually was. As a result, the government underestimated population growth during the 1950's by roughly 30 million people. The magnitude of this error, and hence the enor-

mity of actual population growth, acted as a stimulant to the family planning program.

For the period 1961–1966, the budget was increased ten-fold, to over \$100 million. There were also corresponding increases in medical facilities and relevant personnel, and yet the results were still meager. In part, the problem seemed to be one of finding a suitable contraceptive technique that would be both acceptable and effective in India. In spite of extensive and continuing experiments in this area, there was no major breakthrough until 1965, and even then, the results were mixed.

In 1965, the Indian Government decided to commit itself to a mass program of intra-uterine device (I.U.D.) insertions. This method clearly avoided most of the difficulties and limitations of conventional contraception, and had apparently been reasonably effective in both Indian clinical experiments and large-scale field programs in Korea and Taiwan. The following goals were set:

- 1 million I.U.D. insertions in the first year;
- 6 million I.U.D. insertions in the second year;
- 50 million I.U.D. insertions over a ten year period.

Used in connection with other methods, it was hoped that this program would bring the birth rate down to 25 per thousand within a decade. Progress to date suggests that this goal may be difficult to achieve. In the first year of the program, 80 per cent of the desired insertions were accomplished; in the second year, this proportion fell to less than 15 per cent. Against a goal of 6 million, there were only 900,000 insertions.

There are numerous reasons for this lag. In part, it reflects a shortage of medical personnel. In general, there are not enough physicians; in particular, there are not enough female physicians. In a culture where many women will not allow a man to perform the I.U.D. insertion procedure, this deficiency in female personnel is very serious.

Equally serious are the problems involving the actual or potential recipient of the I.U.D. In a small percentage of cases (perhaps 5 per cent) the device will be involuntarily ex-

⁵ The First Five-Year Plan, as quoted by Dr. Sripati Chandrasekhar in *The New York Times* (April 4, 1965), p. 33.

pelled; in a larger percentage of cases (perhaps 15 per cent) there will be side effects, which may or may not require removal. These side effects, if untreated and unexplained, can cause anxiety in the woman and apprehension among her neighbors. The result is two-fold: first, a large proportion of present users (perhaps as high as 50 per cent) will have the device removed within 24 months; second, their negative experience will tend to inhibit other potential users. In both instances, more extensive medical care, particularly after insertion, would greatly reduce the problem. Unfortunately, such care is not presently available. As a result, the I.U.D. program has so far reached only a small proportion of the more than 90 million women between 15 and 45 years of age who are potential recipients.

In the face of this delay, the government decided to make more extensive use of male sterilization. This, it believes, may be the answer to India's problem. Past efforts in this direction resulted in 500,000 sterilizations in 1965, and 650,000 in 1966. Prior to that, i.e., from 1947 to 1965, a total of 1.1 million vasectomies were performed.

In an attempt to accelerate these rates, a compulsory sterilization bill is being considered which would apply to all men who have three or more children. The bill is sponsored by Dr. Sripati Chandrasekhar, Minister of State for Health and Family Planning, who claims to have considerable support for its passage.⁶ At this point, the intent of the bill is not to introduce severe penalties—light fines are envisioned for those who fail to comply—but to establish an official sanction against large families. This would add the

weight of legislative pressure to the present financial rewards being offered for voluntary sterilization.

It may be true that sterilization can do for India what abortion did for Japan,⁷ but that is yet to be fully demonstrated. In spite of the gains made in 1967—800,000 vasectomies performed in the 6 months from May through October—the program will still have to overcome considerable resistance on the part of the male population. And, if it can do this, it will then have to provide the medical facilities necessary to capitalize upon this new motivation. In both areas, there is a long way to go.

PROSPECTS

Thus, all India's efforts to date have failed to bring about a significant decline in the national birth rate. Surprisingly, high fertility exists in spite of a general interest in family planning and a desire, on the part of most couples, to limit the size of their families.⁸ This suggests that the basic problem of the future will be to bring acceptable contraceptive services to these people, to effect a decline in fertility. Unfortunately, there is some disagreement as to precisely how much the birth rate would be reduced even under these optimum conditions.

Kingsley Davis argues, for example, that neither an interest in birth control, nor a desire to control family size, is inconsistent with high fertility.⁹ Indeed, those interested in family planning in India still want comparatively large families—of perhaps four children—and do not tend to seek contraceptive assistance until they have achieved their desired family size. Under these circumstances, the level of wanted and planned fertility would still be high, and a further decline in the birth rate would be necessary.

Davis feels that this subsequent reduction may be impossible without far-reaching changes in the society. He suggests that the problem at this point may not be one of merely getting people to accept family planning, or developing more effective contraceptives, but of providing the basic social and economic conditions under which such tech-

⁶ In the last few months Dr. Chandrasekhar's activities have been somewhat curtailed, and it is now clear that the more radical legal and economic incentives he suggested in connection with sterilization will not be acted upon in the near future.

⁷ By making extensive use of legal abortion, Japan was able to reduce its birth rate by 50 per cent in a 10 year period.

⁸ W. Parker Mauldin, "Fertility Studies: Knowledge, attitude, and practice," *Studies in Family Planning*, The Population Council, Number 7 (June, 1965), pp. 1-10.

⁹ Kingsley Davis, "Population Policy: Will Current Programs Succeed?", *Science*, 158 (November 10, 1967), p. 733.

niques will be used to achieve small family size.¹⁰

Granting the validity of much of this argument, it still does not follow that the success of present programs, i.e., the distribution of effective contraceptive methods to presently motivated people, will be inconsequential. The effective use of birth control by older couples will not go unnoticed by their younger peers. Hopefully, the resulting diffusion of contraceptive control would eliminate all unwanted births. Demographically, this might mean the difference between six births and four births for the average Indian woman. The result would be a major decline in the rate of population growth. Such a decline, in turn, would make it easier to achieve still further reductions in desired family size, and it would also help to bring about those broader conditions of modernization on which demographic stabilization ultimately depends. That is, even if present efforts do not immediately end the increase in human numbers, they will prepare the way for greater progress in this direction.

Thus if one assumes the eventual success of the current family planning program, it is not hard to anticipate the control of population growth in India. There are reasons for believing that this assumption is not unwarranted. An increasing literature now exists on the likelihood of a favorable outcome in the emerging world. The following elements are usually cited in support of such optimistic predictions: (1) "the development of na-

tional policies favoring family planning; (2) the demonstrated public interest in limiting childbearing; [and] (3) the improvement of contraceptive technology. . . ."¹¹

When applied to India, however, each of these points must be appropriately qualified: the commitment of the government in this area is very recent and—at different levels—may still involve a certain ambivalence toward population control;¹² the problems of translating family planning approval into effective use are far from solved; and the search for an entirely suitable contraceptive methodology is still going on.

Such reservations are meant to suggest nothing more than the need to maximize all efforts toward the elimination of these difficulties. It is apparent that nothing short of this will be adequate. The United Nation's 1966 summary of India's situation makes this point quite clearly:

Without . . . a true priority to family planning, which inevitably means the diversion of effort and resources from other desirable objectives, the program will not succeed. With it, there is great hope that it will.¹³

The problem is clear. That India can fully mobilize her almost infinite diversity to meet this challenge is problematic. Regional, linguistic, religious and cultural differences will have to be superseded by a sense of national urgency and purpose. Assuming such cooperation, the control of fertility will require further changes in law and custom, an increase in the number of social, medical and paramedical personnel,¹⁴ and the continuation of present contraceptive research and development programs—all this necessarily taking place while the government strives to maintain acceptable levels of health, nutrition, literacy, income, employment and political stability.

Obviously, this burden will become first

(Continued on page 241)

¹⁰ Davis, *op. cit.*, "Population Policy," pp. 733-34.

¹¹ Frank W. Notestein, "The Population Crisis: Reasons for Hope," *Foreign Affairs*, (October, 1967), p. 170. See also Donald J. Bogue, "The End of the Population Explosion," *The Public Interest*, 7 (Spring, 1967), pp. 11-20.

¹² T. J. Samuel, "The Development of India's Policy of Population Control," *The Milbank Memorial Fund Quarterly*, XLIV (January, 1966), pp. 63-64.

¹³ The Population Council, "India: Report of the U.N. Advisory Mission," *Studies in Family Planning*, Number 12 (June, 1966), p. 6.

¹⁴ The situation with regard to personnel suggests the scale of the problem. The government is trying to recruit and train an army of 125,000 family planning workers, only one-third of whom are available so far. This must be measured against the need to place such workers in each of India's more than 550,000 villages.

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Analyzing the policies of Moscow-oriented and Peking-oriented Communist parties in united front governments in two Indian states, this expert shows that "... because in Kerala the responsibility of state leadership rested on the party, it did not press the agitation too far, while in West Bengal the agitation itself was primary, and its consequences . . . of little concern if it helped in strengthening the party. . . ."

Communist-Led Ministries in West Bengal and Kerala

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THE TWENTY-YEAR dominance of the Congress party in India was suddenly and severely shattered by the results of the fourth general election held in February, 1967. Thereafter, non-Congress ministries were set up in as many as eight of the seventeen states (including Kashmir and Nagaland) in the country, although at the center the Congress still retained a reduced majority. It is, however, significant that the defeat of the Congress did not mean the emergence of an alternative homogeneous political force.

Still, anti-Congress feeling ran high. In one state, Madras, it gave a clear majority to the Dravida Munnetra Kazhagam (D.M.K.) which is based on the regional-linguistic fervor of the Tamils. It gave a powerful swing to the left (i.e. Peking-oriented) Communists in Kerala, to the rightist party, the Swatantra, in Orissa, and to the Jana Sangh, the Hindu-minded party, in Delhi, Madhya Pradesh and Uttar Pradesh.

However, except in Madras, no party could form a government without combining with others. The urban populace in particular was so bored or exasperated with the Congress regime after two decades that anti-Congress sentiment became the cementing force for most of these parties despite their conflicting ideas and attitudes.

It is against this general background that two states—Kerala and West Bengal—formed United Front ministries in which the left-Communists formed the single largest party.

It is interesting to note that even on the eve of the elections none of the leftist groups in India imagined that they would be strong enough to form a government, nor did they expect the Congress defeat to be so miserable. Congress representation was reduced from 36 members in the 1965 midterm election to 9 members after February, 1967.

The West Bengal and Kerala united front experiments owe their political importance to the fact that they represent Communist experiments with partial power in two regions of the country in which state powers are restricted by the democratic federal constitution, both in terms of financial resources and administrative controls, and in terms of the overall presidential powers of the center. (There was one brief previous Communist government in Kerala in 1957). In addition, the experiments are being conducted in the context of the Sino-Soviet ideological conflict and its inevitable repercussion on the satellite parties in India, a factor that did not exist in 1957. It should be kept in mind that while Kerala is isolated in the south, surrounded by less radical states, West Bengal is a border

state in the east, with Pakistan, Nepal, Bhutan, Sikkim and Tibet as close neighbors. Also, West Bengal's neighboring Indian states of Bihar, Assam and Nefra (North East Frontier Agency, a tribal area), are more unstable politically and socially than are the states neighboring Kerala. Only Orissa, southwest of West Bengal, is an exception; under the influence of the Swatantra party, it has kept up an image of steadiness and continuous pragmatic progress.

In addition, while Kerala is industrially underdeveloped, West Bengal is one of the major centers of industrialized India, with the port of Calcutta handling nearly forty percent of India's shipping trade, and adjacent to her five steel plants, heavy engineering and coal industries. In all these sectors as well as in transport, West Bengal's trade union movement is under the general control of the Communists.

The pro-Moscow Communists have been participating in governments in other states, too, such as Bihar or Uttar Pradesh, but there they have been less significant. It is only in West Bengal and Kerala that the Communists have dominated the government.

On the eve of the elections the Communist Party of India—Marxist—C.P.I.(M)—led by E. M. S. Namboodiripad, the previous chief minister of the 1957 Communist ministry in Kerala, appeared confident. It gave the impression that it retained the political initiative and was almost sure of the Congress defeat and of the emergence of an alternative government under Communist leadership. There was a seven-party alliance to oppose the Congress. It was this factor that led the Communists to victory, with straight two-way contests in 71 seats and triangular contests in 62 seats, as against the usual multi-cornered contests of the past, when the Congress took advantage of the splitting of votes of its opponents.

But in West Bengal, in spite of several attempts, such a united alliance was not possible. What took its place were two fronts, the People's United Left Front (P.U.L.F.) and the United Left Front (U.L.F.). The pro-Moscow Communists (C.P.I.) blamed

the pro-Chinese Communists—C.P.I.(M)—for this failure of unity. They said that the C.P.I.(M) wanted to eliminate or at least reduce considerably the representation of the C.P.I. during negotiations for allocating seats and that this motivation was stronger than the drive to defeat the Congress party.

PATTERNS IN WEST BENGAL

Let us now have a closer look at what happened in the two states under the United Front regimes during the last nine months. Taking West Bengal first, it is worth noting that because the members of the C.P.I.(M) did not expect to bear ministerial responsibility, they were more aggressive. They denounced the bourgeois-landlord character of Indian democracy and declared that nothing substantial could be accomplished by accepting responsibility under these restricted conditions.

In contrast to this, the C.P.I. was most eager to form an anti-Congress united front ministry in West Bengal. In fact, it could not do otherwise, for its strength was reduced almost to one-third of the C.P.I.(M).

A "super-cabinet" was formed in the name of the coordinating committee, consisting of representatives of each of the 14 parties constituting the united front. This committee, it was agreed, would lay down the basic policies which were supposed to be binding on all parties and the ministry.

The next nine months were to witness the hectic performance of the United Front ministry in West Bengal. It will not be possible here to go into details of the developments. But some of the striking trends and policies of the left-Communists in particular may be noted in brief.

As regards the crucial food problem, although there was talk about monopoly procurement and distribution, it was not made mandatory. Levies on richer peasants were fixed for delivery of grain and they consequently paid hush money to most of the parties, so that the black marketing could continue. After the election, prices shot up to 5 rupees per kilo (from Rs. 2.50 in January). Food Minister P. C. Ghosh was then made the

scapegoat for the failure of the policy, in addition, of course, to the central government, which was charged with political discrimination against the U.F. government. The U.F. parties even went to the extent of launching hartals and agitation against the center.

The general tenor of the U.F.'s political tactics could be characterized as follows:

1. To weaken, even paralyze, the state apparatus, and lower the prestige of police and administration at the district and subdivisional levels. (The notorious circular instructing the police not to interfere in industrial disputes was later declared illegal by the Calcutta High Court.)¹

2. To promote agitation and populist movements at all levels and in different sectors of the community—industrial and agricultural labor, the peasantry, salaried staff in private establishments, teachers, students, government employees both central and state, so that the upper level of the community would feel a sense of mass pressure and insecurity.

3. To grant dearness (cost-of-living) allowance and better terms of employment to the lower cadres of government staff, school teachers and members of other public sector organizations like Road Transport and Trams

without worrying about balancing the budget. To rescind the disciplinary steps already taken against such workers, and reinstate dismissed or suspended staff.²

4. To capture various local, social and educational organizations, nominating U.F. men in various committees; to infiltrate educational institutions by bringing direct or indirect pressure on the government.

5. To terrorize and even murder political workers who rival the C.P.I.(M) in trade unions or rural areas and condemn such groups and parties as agents of the Congress, landlords or industrialists.^{3,4}

6. To promote "*Gheraos*" (surrounding) of the managerial staff of industrial or trade establishments to force them to concede unreasonable demands.⁵

7. To organize agricultural labor and refugees from East Pakistan for forcible occupation of agricultural and homestead land.⁶

8. To organize local groups of party-minded youths to hold up movement of railway or road traffic and forcibly take possession of cereals for distribution among the public at low rates.⁷

9. To ridicule the independence of the judiciary and *gherao* the High Court.^{8,9}

10. To terrorize any member of the Assembly who withdrew support from the U.F. government and condemn him as a traitor and even physically assault and mob him, so that others would be afraid to speak their real minds.¹⁰

The overall political approach was anti-Congress, and anti-central government, and there was a persistent effort to distort all issues and developments as a conspiracy of the center, of the reactionaries, of the United States imperialists' allies and agents, and of the bourgeois-landlord-bureaucrat's machinations.

The C.P.I., which is pro-Moscow on the whole, supported this populist agitational approach. But it was at the same time apprehensive; while it could not oppose this trend openly, it felt that in going along with it, it was giving the C.P.I.(M) a propaganda advantage.

On the whole, the relationship between the C.P.I. and the C.P.I.(M) was none too

¹ "Senior Civil Servants transferred," *Statesman*, April 14, 1967; "Howrah Police Officer arrest order," *Statesman*, May 23, 1967; "Police Association Memo," *Statesman*, May 24, 1967 and April 12, 1967.

² *Hindustan Standard*, March 5, 1967; *Statesman*, April 20, 1967.

³ *Statesman*, June 25, June 27, June 28, July 3, and August 18, 1967. "SSP Labour leader killed," *Statesman*, June 5, 1967.

⁴ *People's Democracy*, June 18, July 23, and October 8, 1967.

⁵ From March to September, 1967, there were over 1000 *gheraos* in industrial establishments, according to one estimate in West Bengal. This does not include the small factories owned by individuals.

⁶ *Statesman*, May 17, 1967. This article contains a warning to forcible occupants by the Chief Minister.

⁷ *Ananda Bazar Patrika*, June 14, 1967; *Statesman*, June 16 and June 19, 1967; *Ananda Bazar*, June 20, 1967; *Statesman*, June 20, June 22 and June 23, 1967.

⁸ *Statesman*, September 19, 1967.

⁹ *Statesman*, September 13, 1967.

¹⁰ *Statesman*, June 27, June 28, 1967.

happy. As pointed out earlier, open antagonism was expressed during the elections. The C.P.I.(M) tried its best to eliminate the C.P.I. from West Bengal for all practical purposes, opposing its leading candidates. In this it could not succeed. But the C.P.I. throughout maintained a superficial plea for unity. This, however, did not seem to be a sincere move either. There was formal cooperation in trade union organization and in work among the peasants, in youth groups and the cultural field. But friendliness soon began to disintegrate (though not always formally) after the usual spate of public controversy and apportioning of blame for promoting "splitism." It does not seem worthwhile enquiring as to which party was responsible for this, as both have come to realize that organizational divorce on all fronts is desirable, so that each can be sure of its grip on the front it wishes to manipulate.

RELATIONS WITH OTHER PARTIES

The C.P.I.(M) was, however, most savagely critical of other parties, particularly those who were strongly anti-Chinese. The C.P.I.(M) treated the Bangla Congress, the chief minister's party, as merely a group of dissatisfied Congress party members in outlook and therefore not to be treated as politically reliable. The chief minister was himself treated shabbily on many occasions. His party, in the opinion of the Communists, could be utilized politically but nothing more.

On the other hand, the C.P.I.(M) cultivated a few parties as reliable satellites. They were sometimes expected to play a role that the C.P.I.(M) itself did not like to play openly. There is a rumor that some of these parties are even financed by the left Communists.

It is interesting to note here that although this whole united front alliance was based on anti-Congress feeling, the C.P.I.(M) did not fight the Congress workers in the field very much. It seemed busier trying to build up its own party and its network and front organizations, and demolishing the pockets of influence or the image of other left parties.

Within the C.P.I.(M), the Naxalbari epi-

sode precipitated a cleavage. Naxalbari is in the district of Darjeeling, proximate to Nepal, Tibet, Sikkim and East Pakistan. Here, agricultural and tea garden workers have long been seeking agricultural land. The left Communists seemed to have worked up this area, inhabited mostly by tribesmen equipped with bows and arrows. An armed band was formed, led by extremist Communists, who entrenched themselves in the dense forest areas close to the borders of east Nepal. The idea seemed to be to develop Naxalbari as a "liberated area," as a demonstration of the benefits to come.

In the beginning, the United Front government tried to underplay the whole drive as a normal agrarian movement. But as the local people under the leadership of the S.S.P. exposed the real character of the situation, and as the central government began to take serious notice of it from a security angle, non-Communist groups in the United Front government protested and the state government ordered police action. The C.P.I.(M) ministers formally agreed with this policy and the extremist forces were soon isolated and some arrested. Simultaneously economic and legal relief steps were also accelerated.

This non-revolutionary attitude of the C.P.I.(M) leadership in West Bengal infuriated its militant section and fractional activity was taken up on an extensive scale. The situation was further complicated when the Peking radio supported the Naxalbari revolutionaries and denounced the C.P.I.(M) leadership. The C.P.I.(M) had to expel some (only some) of the Naxalbari extremists from the party, precipitating an ideological controversy. The extremists constitute a good fraction (some say about 40 to 50 per cent) of the C.P.I.(M) in West Bengal, and in many districts the leadership was vilified and isolated by its extremist rank and file. The matter was taken up on an all-India level, and the politbureau of the C.P.I.(M) had to adopt resolutions condemning inopportune extremism and criticizing the Peking radio. But since the dismissal of the ministry, the extremist leaders (Harekrishna Konar, minister, and Promode Das Gupta, secretary) have them-

selves gone underground and differences in tactics have become partly irrelevant.

However, it is necessary to note here that while the leaders said that the time was not yet ripe for the Naxalbari type of movement and asserted that the parliamentary role of the revolutionary Communist party was not yet exhausted, the extremists alleged that the leaders were tending to become reformists and parliamentarians with bourgeois expectations and were betraying the revolutionary cause.

The right Communists, supported by Soviet Radio Peace and Progress, persisted in characterizing the Naxalbari movement as a normal agrarian movement or, at most, a local problem of law and order, and strongly objected to the center's interference or to any strong U.F. action in this sensitive area.

PATTERNS IN KERALA

In Kerala, the pattern of behavior of the dominant party, the C.P.I.(M), was slightly different. Here the party was numerically stronger than its partners and the chief minister, E. M. S. Namboodiripad, was a member. It is he who had to take all the initiative, and he did so with consummate skill. Thus the success or failure of his ministry was directly dependent on the party itself. Nevertheless, the social situation was based on a sharper cleavage of communities in terms of religion and caste—there were Syrian Christians, Catholics, Muslims, Nairs, Ezhavas and Brahmins among the Hindus—and these cleavages were equally sharply reflected in political alignments and motivations, whatever the party or its verbiage.

The portfolios were allocated in the following manner: four from the C.P.I.(M) including the chief minister (Food, Transport, Housing, Police), two from the C.P.I. (Agriculture, Industries and Commerce), two from the S.S.P. (Irrigation and Finance), two from the Muslim League (Education and Panchayats), one each from the R.S.P., K.T.P. and K.S.P.

The most difficult of the problems that the ministry faced was food. Kerala is chronically deficit in food and has to depend on the center much more than any other state. The

chief minister and his party, the C.P.I.(M), took a strong anti-Congress and anti-center stand from the very beginning. This was not always appreciated by some of the other parties because, after all, the voters valued their rations. A degree of cooperation with the center was considered essential, and continuous quarrelling and a blackmailing attitude were unacceptable. Nonetheless, both Namboodiripad and the Communist M.P.'s from Kerala retained an anti-center attitude and even staged a *dharna* (waiting endlessly) at the prime minister's house at New Delhi.

But even then the responsibility could not be shifted. There were grave charges against the C.P.I.(M) minister for her "inept handling" of the food portfolio. There were even charges of partiality towards traders for filling party coffers. The hoarders were not dealt with strongly and procurement was not thorough; for this reason, the other partners opposed the C.P.I.(M) program of anti-center agitation. Public support also dwindled.

Reacting to criticism, the C.P.I.(M) raised a hue and cry over the industrial policy of the ministry, which was handled by C.P.I. Minister T. V. Thomas, who had tried to involve the Japanese in some industrial projects.

The C.P.I.(M) party leadership in the state singled out Japanese collaboration in the private industrial sector for strong criticism, perhaps to humiliate the C.P.I. and to express anger at the Japanese, whose Communist party had at that time become strongly critical of the Chinese Communist party. There had been proposals of farm development projects with Soviet aid, under the aegis of another C.P.I. minister, M. N. Govindan Nair. In addition, Americans were giving massive support to the big Sabarigiri hydro-electric project, and again, the Japanese were participating in the Cochin Harbor development. Kerala needed such projects badly because of large chronic unemployment; foreign collaboration was therefore essential. If the C.P.I.(M) had opposed the Cochin Harbor project it would have lost some popularity. This was also the case with United States aid for the Sabarigiri project, and United States food grants.

Therefore, the cabinet had generally supported all these proposals and policies, including Japanese aid, and the chief minister had to do some tightrope walking on these issues. It is possible that the attack on industrial policy was also meant to criticize and isolate Namboodiripad himself within the party. The legislative wing of the C.P.I.(M) generally supported Namboodiripad, but in the party leadership there were opposing factions.

There was yet another slant to criticism of industrial policy. The chief minister had invited G. D. Birla, the industrial magnate from the north, to start industrial projects in Kerala and offered agreeable terms to him as well as to other industrialists. This action was vigorously criticized by the party and other leftists.

AUTONOMY FOR KERALA

Namboodiripad made out a very strong case for Kerala autonomy and for a larger allocation of resources for his state or other states as against the center. Many other ministries sympathized with his position, particularly in Madras and West Bengal. This was again E. M. S. Namboodiripad's important refrain on many occasions. He added still another dimension when he vigorously opposed the imposition of Hindi as the "link" language. His party had long very strongly supported the removal of English and its replacement by state languages at all levels including the center. Thus the anti-Hindi stance was meant to be anti-center.

Namboodiripad also waived police verification of recruits for government service and thus increased the chances of infiltration of party men. In fact, charges were made on this score.

The relations between the C.P.I.(M) and other parties, as in the case of West Bengal, were none too harmonious.

Within the Kerala C.P.I.(M) party, there were factional struggles. The Naxalbari con-

troversy had its impact. According to the C.P.I., in 5 out of 9 districts, extremists were in a majority. But even within the leadership, the group led by A. K. Gopala seemed to be trying to isolate E. M. S. Namboodiripad. He was not taken into the state unit *politbureau* and was criticized for giving a party ticket for election to a suspended party member. He was suspected of being infected with constitutionalism and was criticized for not developing the government as an "instrument of struggle."

Meanwhile, there was the familiar pattern of organizing agitation after agitation and of setting up local committees in the name of helping the government. Even Red Guards were being organized on this pretext, with officers' training camps.¹¹ Alarmed by these developments, all the other parties began to organize their volunteer bodies.

With this broad outline of the method of operation of the Communist parties within their United Front governments in West Bengal and Kerala, we may now try to compare and contrast the two experiments.

CONTRAST IN OPERATIONS

While in both states, the C.P.I.(M) was the largest party, in Kerala its strength was greater. It took the leadership in political operation in Kerala, whereas it had to operate through the United Front in West Bengal. Its own leader, Jyoti Basu, being the deputy leader, operated impressively and dominated the situation within the cabinet considerably.

Both state governments took up an anti-center and anti-Congress party stance vigorously on the whole, concentrating on the issues of food, state autonomy and allocation of resources. But this was not uniformly enthusiastically supported by all elements of the United Front.

The populist, agitational method of political pressure was maintained in both states. But because in Kerala the responsibility of state leadership rested on the party, it did not press the agitations too far, while in West Bengal the agitation itself was primary, and its consequences on administration were of little concern if it helped in strengthening the

¹¹ *Statesman*, November 11, 1967. On May Day a rally of 10,000 was organized. The Officer Cadre is trained in "offensive, defensive and evasive tactics." The target for Cannanore is 10,000, for Calicut, 5,000, and 1,000 each for the other districts.

party and its influence among the electors.

Thus, broadly speaking, the Kerala ministry operated in a manner that would involve the whole state in its struggle against the center. But in West Bengal, the alliance being of a heterogeneous character with lesser possibility of manipulation of the allies by the C.P.I.(M), the broad Communist approach was disruptive of the state, eroding its morale and authority, and weakening and infiltrating the apparatus from within.* This effect was also dictated by the politico-geographical situation of West Bengal.

In both states, the C.P.I.(M) vigorously attacked radical socialist groups, either to break them or to terrorize them, in the classical Communist style. But it helped some other parties to function as satellites. Of course, with the C.P.I., the left Communists had a special relationship of hatred and antagonism. The C.P.I.(M) tried its best to eliminate the C.P.I. altogether both during the election and after. Although this did not succeed, the relationship became more embittered and all the front organizations are split—trade unions, kisan sabhas, student and youth groups. It is interesting to note, however, that as this splitting continued in an atmosphere of hate and anger, the C.P.I. maintained a formal pose of unity with the C.P.I.(M), trying to join with those who condemned the extremists within the C.P.I.(M).

Possibly this was the result of Russian pressure to build a larger unified party of Communists, attracting the centrist leaders like Namboodiripad. This has not succeeded so far. The Russians have developed a pincer approach toward India. Their Radio Peace and Progress criticizes the Congress regime, while at the diplomatic level they work with New Delhi.

This ministerial experiment in West Bengal has been able to clarify the ideological position of the C.P.I.(M) as regards the usefulness of parliamentary activity in the context of revolutionary strategy. Its manner of criticism of left opportunism clearly indicates that

the C.P.I.(M) is completely Leninist in its basic approach. The difference between the two Communist parties centers on the point of timing, assessing the moment for action, so that the Indonesian tragedy will not be repeated.

The C.P.I. has an ambiguous position on this significant issue. In its Election Manifesto and elsewhere it has reaffirmed its belief in peaceful transition and in parliamentary method, but on all essential occasions it has vigorously pleaded for agitation, *gherao*, and for mass movement which creates the rhythm for revolutionary, non-parliamentary politics. Politically overseen by the Russians, the C.P.I. must be cautious, since the Russians are not keen to take revolutionary risk at this stage. C.P.I. leaders still expect a section of progressives among the Congress party to collaborate politically with the C.P.I. as and when the Congress leadership breaks up and the central government is weakened. Also, if they play the same tune as the C.P.I.(M), all practical distinction between them will disappear. Leaders of the C.P.I. fear that its ranks may be attracted to those who have been more consistently revolutionary.

Another interesting facet of the situation is that due to the stress and strain of its parliamentary and extra-parliamentary activities in West Bengal—particularly the Naxalbari affair—the C.P.I.(M) has had to take a stand openly critical of the Peking radio, which fully supported the extremists and condemned the leaders of the C.P.I.(M) by name. But a

(Continued on page 242)

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* *Ed. Note:* The central government ousted West Bengal's united front in Nov., 1967, and placed it under President's rule on Feb. 20, 1968.

India's "decision to extend technical and economic assistance to [Nepal, Sikkim and Bhutan] . . . was simply the addition of a basically postwar instrument of diplomacy to the methods already in use to maintain Indian influence in the Himalayas and protect her security."

India's Economic Aid Programs

BY PHILIP M. PHIBBS

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INDIA IS AT ONCE the recipient of the largest quantity of foreign aid in the world and, among those who receive aid, the donor of the most assistance to others. Her program is small when compared to those of the developed countries, but it represents a significant sacrifice in view of her own critical needs.

The bulk of India's aid has been concentrated in the three Himalayan kingdoms—Nepal, Sikkim and Bhutan. In these states, India is either a major or the sole contributor of foreign assistance.

India's largest aid program is in Nepal, where she first became involved on a limited scale in 1951 with the loan of an Indian administrative official and an offer to train two Nepalese. At the same time, India built a temporary landing strip at Kathmandu. During the following year she agreed to con-

struct a highway from the Kathmandu valley to India and to convert the airstrip into a permanent airport. Both projects were to be financed by a loan to Nepal.¹

From these modest beginnings the program has grown steadily. By mid-1966 India had actually expended 312 million rupees in aid to Nepal.² Future commitments for a number of major highway and power projects suggest that Indian aid will remain at an extremely high level in the years immediately ahead.

India's aid has played a major role in Nepal's development. Until 1956, India provided more assistance than any other country. The United States outstripped her effort for a time, but in 1965–1966, the leadership passed back to India, and she has agreed to provide nearly three times as much aid as the United States in 1966–1967. Of the total assistance provided for Nepal from 1952 through 1967, India's share has been 34.6 per cent, while the United States has contributed slightly more, 42.1 per cent. Russia with 10.1 per cent and China with 8.8 per cent have made much smaller efforts.

The bulk of India's aid has gone to the development of transportation and into power and irrigation projects. Highway construction alone accounts for 29 per cent of the Indian assistance, and power projects account for 25 per cent. But horticulture, education, forestry and many other fields have

¹ Eugene Mihaly's *Foreign Aid and Politics in Nepal* (London: Oxford University Press, 1965) provides an excellent, if somewhat overly critical, study of Indian aid to Nepal through 1962. It should be remembered, however, that Indian aid has increased substantially since then, and the administration of the program has changed significantly. See *Cooperation for Progress in Nepal* (New Delhi: Ministry of Information and Broadcasting, Government of India, 1966) for details on the total program. The aid figures for Nepal used in this paper do not include various special grants and programs like technical assistance provided through the Colombo Plan, a special annual diplomatic expenditure, and other small items.

² Figure provided by the Indian Cooperation Mission, Kathmandu. The rate of exchange for figures used in this text is U.S. \$1.00 = Rs. 4.76.

also received attention.³ Virtually all of India's aid has been given in the form of grants. The original proposal for a loan to build the Tribhuvan Rajpath and Gaucher Airport was quietly forgotten in 1954 and these funds, like all subsequent aid (with one exception), were provided as a gift.⁴

Indian aid to Sikkim began at about the same time that India first took an interest in Nepal's development. In 1950, a grant of Rs.50 thousand was given to Sikkim for a land reform program and a forest survey.⁵ In 1952, the Maharaja of Sikkim asked Prime Minister Jawaharlal Nehru for economic assistance, and the latter readily agreed. An Indian team drew up a Seven Year Plan which was approved by the Indian Planning Commission in June, 1954. The plan originally called for a grant of Rs.20.2 million and a separate loan of Rs.2.1 million for an aerial ropeway between Gangtok and the Tibetan border. This aid was to be added to the Rs.5.5 million which India had spent on road construction in Sikkim prior to 1954.⁶ Subsequent road construction funds were included in Sikkim's plan, and roughly half of the first plan was devoted to this item.

India apparently expected to complete her participation in Sikkim's development during

that initial seven-year period. In addition to road construction, the plan emphasized revenue-producing projects like a fruit-preservation factory, the aerial ropeway, and a timber-floating project. It was hoped that these commercial enterprises would produce sufficient revenue by 1961 to maintain and continue other projects.

Internal and external events intervened, however. During the first year of the plan only about one-half the funds made available were actually used. Lack of trained personnel and an inadequate administrative machine were the main problems.

Developments across Sikkim's northern border and Sino-Indian difficulties also affected the original assumption that India's obligation could cease in 1961. Despite the slow beginning made in the first year of the plan period, India decided in 1957 to increase the size of the plan to Rs.30 million. It ultimately grew to about Rs.35 million and most of the added expenditures were for road construction and communications.⁷

In September, 1960, there was an incident involving Chinese forces at Jelep La Pass in Sikkim. Shortly thereafter discussions began on the second plan. India eventually committed herself to provide more than twice as much in the second five years (Rs.81.3 million) as she had given in the first seven. Once again, nearly half the funds were allocated to roads and transport. All the revenue for the plan was provided by India as a grant.⁸

AID TO BHUTAN

Indian assistance to Bhutan began much later than it did to Nepal and Sikkim. This was not due to any lack of interest in Bhutan or concern about developments there. R. K. Nehru, a high official in the Ministry of External Affairs, visited Bhutan in 1955 and reportedly offered aid to Bhutan, but it was declined.

In 1958 Prime Minister Nehru himself journeyed to the country. The main topic of conversation during the visit was economic development, and the Indian leader stressed the need for roads which would link the two

³ Statistics provided by the Indian Cooperation Mission, Kathmandu. For details see *Cooperation for Progress in Nepal*.

⁴ The exception is a loan of Rs. 10,000,000 negotiated in September of 1964 for the purchase of Indian equipment and machinery for industrial enterprises in Nepal.

⁵ India, *Parliamentary Debates*, III (1950), 1661-62.

⁶ India, *Lok Sabha Debates*, VII (1954), 1638; Ministry of External Affairs, *Annual Report, 1955-56*, p. 8; and Ministry of External Affairs, *Foreign Affairs Record*, I (1955), 64. All aid figures for Sikkim do not include the annual treaty subsidy which India provides or the special scholarship program for Sikkimese students.

⁷ *Statesman*, June 3, 1960 and December 4, 1960, and *Hindustan Times*, January 31, 1960.

⁸ Total plan outlay was Rs.81,300,000 of which Rs.35,000,000 was devoted to transportation. India, *Lok Sabha Debates*, Appendix III (1961), Annexure, No. 24. In addition, India and Sikkim agreed to establish the Sikkim Mining Corporation with a capital of Rs.10,000,000 to exploit Sikkim's copper deposits. India provided 49 per cent of the capital and Sikkim the remaining 51 per cent, but India loaned Sikkim the funds to meet the cost of its share! *Annual Report, 1960-61*, p. 13.

countries directly. He was apparently impressed by the fact that his journey to this neighboring state, for whose foreign policy India was responsible, took six days and required the permission of the Chinese government, since the best access to central Bhutan from India was through Tibet's Chumbi Valley. The Bhutanese accepted a small sum for road-building material and equipment and a loan for an orange-crushing factory, but they remained cautious and reluctant.⁹

There was a significant change in their attitude as the Chinese presence in Tibet became more ominous in 1959. In the autumn of that year it was agreed that India would provide an annual grant from 1960 onward of Rs.700 thousand. The funds would enable Bhutan to plan its expenditures on a sounder basis. India also announced a road-construction program for Bhutan which would eventually provide four north-south roads linking Bhutan and India and one east-west highway to unify the system internally. The cost of the entire program was estimated at Rs. 150 million.

In February of 1961, Bhutan invited a team from the Indian Planning Commission to devise a development plan for the country. India subsequently agreed to provide the entire expenditure for the plan, Rs.174.7 million. About 70 per cent of the funds were allocated to road construction and transportation.

⁹ *Annual Report, 1958-59*, p. 12. Rs.150,000 for roads plus free material and a loan of Rs.220,000 for the factory were offered. Details of the aid actually provided are found in *Lok Sabha Debates*, XXVII (1959), 6351-52.

¹⁰ For the text of the new treaty see *Foreign Policy of India, Text of Documents, 1947-64* (New Delhi: Lok Sabha Secretariat, 1966), pp. 56-58.

¹¹ Nepal receives Rs.1,000,000 each year. This is described in the Government of India's budget as a "special diplomatic expenditure." See India, Ministry of External Affairs, *Demands for Grants*. Under the treaties negotiated in 1949 and 1950, Bhutan receives annually a subsidy of Rs.500,000 and Sikkim Rs.300,000 as long as the terms of the treaties are duly observed by the states. The Indian Government has been far more generous than the British. Bhutan's subsidy was initially set at Rs.50,000 in 1865; in 1910 it was raised to Rs. 100,000, and in 1942 to Rs.200,000. Sikkim's grant rose even more dramatically. British India provided only Rs.12,000; Independent India contributes Rs.300,000.

ROLE OF THE PROGRAMS

The most obvious fact about the area in which India has concentrated most of her aid is that it is of immense strategic importance to her. The Himalayan states provide a major mountain barrier protecting India's northern border.

The British had established special relations between their government in India and these three states. Independent India inherited the British role and confirmed the special status of the area in a series of treaties in 1949 and 1950. Nepal continued as a nominally independent state but with especially close relations with India.¹⁰ Sikkim agreed to continue as an Indian protectorate, and Bhutan once again agreed to be guided in its external relations by the government in India. Each state also continued to receive the financial grants which the British had begun.¹¹ The transfer was so complete and the continuity so smooth that the Indians even moved into the British Residencies in Kathmandu and Gangtok.

The decision to extend technical and economic assistance to these three countries, then, did not represent a new policy departure, but was simply the addition of a basically post-war instrument of diplomacy to the methods already in use to maintain Indian influence in the Himalayas and protect her security.

The second noteworthy feature of India's aid program is that she decided to use this new diplomatic weapon because existing techniques were inadequate to meet the situation there. By 1950, India was seriously concerned about the stability and security of the three countries. The underlying cause of her apprehension was, of course, the advent of a Communist government in China and its increasing pressure on and eventual occupation of Tibet. The traditional cultural, economic and political ties between the three states and Tibet provided a basis for Chinese intervention; their internal instability and socio-economic backwardness provided the opportunity.

If China's potential activity was the cause of concern, immediate events indicated the urgency of the situation and forced India to

act. All three countries had autocratic governments and what might be described as semi-feudal economies. Indian aid began in Nepal and Sikkim under remarkably similar circumstances. In 1949 a demonstration in Gangtok which began as a demand for economic reforms quickly degenerated into an insurrection against the Maharaja. Order was restored only by the intervention of Indian troops. Shortly thereafter, the first Indian aid was provided to enable the Sikkimese government to undertake urgently needed economic reforms.

In Nepal, India had encouraged more democratic practices for some time but with little success. In 1950, revolt broke out and India helped the various factions reach a compromise solution in 1951. Aid began soon thereafter to assist the new, liberalized regime perform its responsibilities.

Bhutan's isolation and greater political stability provided no similar occasion for Indian involvement at this time. Increasing Sino-Indian tensions led the Indians to propose aid after 1955, but not until 1959 did the Bhutanese become sufficiently alarmed about Chinese intentions to accept Indian aid on a large scale.

There seem to have been three objectives in India's response to this situation: to increase the links between India and the Himalayan region, to promote economic progress, and to encourage political stability.

The first of these objectives was relatively simple. The major portion of Indian aid to the region went to the development of roads and transportation. A number of new north-south highways were built or are being built which link each of these three countries more closely with India. At the same time these projects have considerable strategic value, for they provide avenues by which Indian forces can reach the interior of the countries if and when they are needed.

Road construction was not, however, wholly self-interested, for without improved transportation little development would be possible. Roads were the prerequisite for economic advance. Moreover, India is building not only north-south roads but also east-west

highways which will connect each of these countries internally for the first time. These lateral connections will reduce their dependence upon India and promote internal communications.

The new roads would tie the Himalayan states to India physically. Other aid projects should produce the desired economic and social change. The third problem was political stability, and this was intimately connected to the aid program. It was this concern that triggered the initial assistance to both Sikkim and Nepal; it would be a necessary condition to achieve the long-term objective and purpose of the aid program.

In Nepal, India repeatedly urged democratic reforms in 1949 and 1950. In the early 1950's, she intervened in Nepalese political life to this end, creating considerable resentment in the process. When King Mahendra assumed personal control of the Government in 1960, New Delhi openly indicated its disapproval. Subsequent outbreaks of violence encouraged by Nepalese politicians in exile in India increased the strain. Only the timely intervention of the Chinese by their attack on India in 1962 reversed the trend. India has since made strenuous efforts to improve relations and now accepts the Mahendra government.

In Sikkim where, ironically, India's influence and leverage are far greater, she has not promoted democratic government with comparable fervor. Her initial intervention in 1949 and her subsequent aid preserved the authority of the Maharaja. Political reforms have been initiated gradually, but Sikkim is still far from popular democratic government.

This is not to condemn the Indian government, for the political situation in Sikkim is extremely delicate. About 1890, the British began to encourage Nepalese to settle in sparsely populated Sikkim. By 1947, the Nepalese constituted the majority of the population. The indigenous Bhutia-Lepcha community was a minority in its own land. The basic political problem to this day is that while the Nepalese represent the majority, the Bhutia-Lepchas—through the person of

the Maharaja (now styled, Chogyal)—dominate the government.

In this situation, India has been circumspect. She has not openly promoted the one-man, one-vote principle she advocates elsewhere, nor has she promoted the same measure of reform in Sikkim that she sought in Nepal.

In Bhutan, India has made no overt move to encourage democratic reform. She has respected the absolute internal autonomy assured to Bhutan by the treaty of 1949. By 1959, when India became involved in the country, the border situation was so tense that it probably seemed unwise to disturb Bhutan's apparently stable, but autocratic, regime.

India has become a major aid donor in an area where existing diplomatic methods were inadequate to meet a serious threat to her security. Her initial commitments were limited and considered temporary. Involvement has escalated, however, and the Indian aid program in the Himalayas now appears to be a semi-permanent feature of her diplomacy there.

Aid has enabled India to defend herself more effectively in the region. It has also improved economic conditions and has probably added to the internal stability of the three kingdoms. But aid has also aroused a desire for new, less dependent relations between India and the three countries. India has been forced to adjust herself to a new relationship. The process has been painful and the result is potentially hazardous because it reduces India's influence.

All three countries have traditionally been suspicious of India, as most small countries are of a large and powerful neighbor. The close connection between the commencement of Indian aid in Nepal and Sikkim and overt Indian intervention in domestic political struggles did little to assuage fears. The presence of large aid missions adds to the concern, and in Sikkim at least there is some apprehension about "Indianization" of the local culture.

Aid has required Indian presence and involvement. The three countries have tried to counteract this potential danger by seeking new, less dependent, formal relations with India.

OTHER INDIAN AID PROGRAMS

Indian aid to other regions of the world has been smaller in quantity and more limited in its political and economic impact. Until 1963, it consisted of minor assistance provided on an *ad hoc* basis and three rather substantial, organized efforts.

The first gesture was made in 1947 when four students from East Africa came to India for study on Government of India Scholarships. In the next year, India extended her first foreign loan—to Indonesia—in the amount of Rs. 75 thousand. The forms of assistance multiplied. Technicians and skilled personnel were lent to other countries, sometimes at their expense, sometimes at India's; training was provided in a variety of fields; and India helped other governments to recruit skilled Indian manpower for service abroad. Ethiopia, for example, regularly hires several hundred Indian teachers. All assistance was provided in response to requests.

However, three programs, each operating independently, did provide more substantial assistance. In 1949, India initiated a scholarship program for Indian and indigenous students from Asian and African countries. At first, a large number of the grants went to Indians resident abroad, and until 1965 a number were specifically reserved for this group, but increasingly the emphasis was placed on selection of indigenous students and these are now preferred. The number of scholarships offered has grown steadily.¹² In addition, since 1960, India has offered 50 grants annually for post-graduate study in India under the new Commonwealth Scholarship/Fellowship Program. Altogether, from 1949 to 1966, India allocated over Rs. 24 million for these two schemes.

India has also extended technical assistance to Asian and African countries through two international programs—the Colombo Plan and the Special Commonwealth Africa As-

¹² For details of the scholarship program see the *Annual Reports* of the Ministry of Education.

sistance Program (SCAAP). The two plans might be described as multilateral arrangements to provide bilateral assistance.

India has been both a major donor and a major recipient of assistance under the Colombo Plan. She has, on balance, received far more than she has given, but her contributions have been significant.¹³

Three types of assistance are provided under the plan—training, experts and equipment. India has provided more training to nationals of other plan countries than all but four other members—the United States, Great Britain, Australia and Canada. India's status as one of the technically more advanced developing countries is emphasized by the fact that she provides 80 per cent of the training offered in the Colombo Plan region, and her share has been growing. In 1965–1966, she provided 93 per cent of the training places.

In the field of expert assistance, the record is even stronger. India has provided the services of nearly a thousand of her skilled technicians, an effort which is second only to that of the United States. In the provision of equipment, India's contribution is smaller, but it surpasses that of any other Asian member of the plan except Japan. Similarly, among the Asian states only Japan has exceeded India's total expenditure, nearly Rs. 35.5 million, on the three forms of technical assistance. Pakistan made the next largest total effort, but spent less than two million rupees.¹⁴

India has also played an ever-increasing role in SCAAP since its founding in 1960. The same three types of assistance were extended at a total cost to India of Rs. 1,269,700 by the end of 1966.

AID PROGRAMS AFTER 1962

After the Sino-Indian conflict of 1962, India began a searching reexamination of her

relations with other developing countries. The failure of many of these states to support her was a cause of concern and disappointment.

In 1963, Indian ambassadors to West Asian, African and South East Asian countries met in special conferences to consider ways to build wider support for Indian policies. One result of these meetings was a new emphasis upon technical assistance programs and economic collaboration with developing countries.

There are three major aspects to the new assistance programs. First of all, various existing technical assistance schemes have been continued and expanded. These include the deputation of experts and skilled personnel for service abroad, assistance in recruitment of trained Indians by foreign governments, the donation of equipment and the training of foreigners in Indian institutions.

This assistance has gone to a considerable number of states and clearly is not used exclusively or primarily for political purposes. It can and apparently has been used for this reason, however. In early 1962, India and Yemen established diplomatic relations. It was noted simultaneously that there were over 500 Chinese technicians in the country. In September, 1962, civil war erupted in Yemen and in October India recognized the new government.

In 1964–1965 India allocated Rs. 1 million for assistance to Yemen, and Rs. 600 thousand was budgeted in 1965–1966. The assistance included hospital equipment, medicine, water pumps, technicians and training for Yemeni students.

Indian aid to Somalia also appears to have some political motivation. Until 1964, most of India's technical assistance in the "Horn of Africa" went to Kenya and Ethiopia. There were also a number of joint economic ventures linking India with these two countries. In 1963, Chinese assistance was extended to Somalia, with whom both Kenya and Ethiopia have border disputes. In 1964–1965, India set aside Rs. 260 thousand for assistance to Somalia and more than doubled that figure in 1965–1966. The sums were small,

¹³ The details provided in the text of India's participation in the Colombo Plan come from *Technical Co-operation under the Colombo Plan* (Colombo: Colombo Plan Bureau, 1966).

¹⁴ Technically Ceylon has made a somewhat larger expenditure than Pakistan and has contributed more equipment than India, if Ceylon's donation of the Colombo Plan Bureau headquarters is included.

but they demonstrated India's interest and impartiality.

Loans to other developing countries were the second form of assistance to receive new emphasis after 1962. Loans provide somewhat limited help because they obviously have to be repaid and have usually been extended only for the purchase of Indian goods. Yet they can provide temporary relief in moments of economic crisis, and they make it possible for recipients to begin industrial ventures with Indian capital goods obtained on deferred payment.

India had provided loans before 1962. The aid programs to Sikkim and Bhutan initially included loans, and funds had been advanced in this form to Burma and Indonesia to help them through temporary difficulties shortly after they became independent.¹⁵

In recent years, however, the number of loans offered by India has increased substantially. By 1966, seven Afro-Asian countries—Ceylon, Nepal, Sudan, Kenya, Uganda, Tanzania and Ghana—had received offers of loans totaling Rs. 235 million for the purchase of Indian goods and assistance in establishing industrial ventures.

The loan to Ceylon is of particular interest because it represents a significant shift in the pattern of Indian assistance to that country. Relations between the two are complicated by their proximity, relative size, and the large Indian community in Ceylon. India sought to avoid creating additional tensions and concern by channeling her assistance to Ceylon through the Colombo Plan.

By 1960, China had become a major trading partner for Ceylon and the source of considerable assistance. Ceylonese neutrality in the Sino-Indian conflict deeply disturbed India. The form of Indian assistance now

changed. In December of 1962, India, for the first time, offered Ceylon direct bilateral assistance, a loan of Rs. 50 million. The offer could not be accepted at the time, but when Ceylon encountered serious economic difficulties in 1965, India again came forward.

India made a similar gesture to Indonesia at a critical moment in 1966. In the early years after they became independent, ties between the two countries were unusually close, but gradually differences developed. Indonesia became friendly with China and openly supported Pakistan in the Indo-Pakistan conflict of 1965. India, in turn, backed Malaysia in her "confrontation" with Indonesia. The trend was dramatically reversed by India in 1966. The change in government in Indonesia had created a new situation, and the country's desperate need for economic assistance provided the opportunity. While other nations waited to see how stable and effective the new government would be, India stepped in with an offer of a loan amounting to Rs. 100 million for the purchase of Indian goods.

JOINT VENTURES

The last area on which the Indian government has put renewed emphasis since 1962 is economic collaboration with other developing countries. India is herself short of capital so her ability to assist in foreign economic development is limited. However, she does have a considerable pool of technically trained personnel and experienced managerial talent. She also has the industrial capacity to produce capital equipment in a number of areas. The government of India has, therefore, been actively encouraging the establishment of joint economic ventures between Indian industrialists and local groups

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¹⁵ India offered Burma a loan of one million pound sterling in 1950 as part of a six million pound Commonwealth loan to help Burma put down an insurrection. In 1955 another loan of Rs. 200,000,000 was offered to help Burma through a difficult economic situation. Neither loan was used at the time although the second offer was renewed and accepted in 1957. Ministry of External Affairs, *Annual Report, 1949-50*, pp. 5-6 and 1956-57, p. 11.

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BOOK REVIEWS

INDIA AND PAKISTAN

INDIA'S POLITICAL SYSTEM. By RICHARD L. PARK. (Englewood Cliffs, New Jersey: Prentice-Hall, 1967. 116 pages and index, \$4.95.)

This study of Indian politics investigates the principle features of the historical growth, the basic social and political characteristics, the cultural diversity, and the varying economic and governmental systems of India. Providing various syntheses of the Indian polity, the author shows how a complex society has evolved and how it functions in an ever-changing world.

In his discussion of "the community and its symbols," Park pays considerable attention to the notion of legitimacy—in this case, the traditions of authority in which social status and capture of power are ethically and popularly justified. This ideological emphasis is stressed further in an interesting study of elitism and of change. The closing chapter on "Problems and Prospects" summarizes the vital issues that any government of India will have to face if it seeks to be responsive to popular control: these include meeting the challenges of "... unity, population growth, illiteracy, poverty, disease, and a traditional resistance to change. ..."

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STATE POLITICS IN INDIA. EDITED BY MYRON WEINER. (Princeton: Princeton University Press, 1968. 520 pages and index, \$12.50.)

This volume contains nine papers prepared by members of the Committee on State Politics in India, an informal group working under the auspices of the Committee on South Asia of the Association for Asian Studies.

The papers analyze politics in eight of the seventeen Indian states. While they were written before the 1967 nationwide elections, the studies provide valuable background against which to view current problems and progress in India.

O.E.S.

PAKISTAN'S DEVELOPMENT. SOCIAL GOALS AND PRIVATE INCENTIVES. By GUSTAV F. PAPANЕК. (Cambridge: Harvard University Press, 1967. 354 pages, index and bibliography, \$8.95.)

Professor Papanek, a staff member of the economics department at Harvard, has surveyed a series of relationships between the national government and private enterprises in Pakistan. The results involve a studious dissection of the country's economy insofar as that nation represents a typical underdeveloped country. He discusses in detail the country's procurement of food grains, the issue of price controls, and the broad problems of Pakistan's agricultural infrastructure. As so many have done before him, Papanek suggests that Pakistan's economic stagnation can be traced to long-rooted patterns of tradition and ignorance among the peasantry.

An awareness of these difficulties has led Rawalpindi to institute large-scale government intervention in the economy. The results of the last few years have been impressive. Through the use of price incentives and effective governmental action, the country has achieved a considerable rate of growth in agricultural production. The author has made a detailed analysis of the factors that have led to this respectable change, considering the rates of investment and the development of administrative efficiency. He also discusses the present-day Pakistani market system and its impact on the economic behavior of the peasantry. He is of the opinion that Pakistan has opted

neither for complete government control of the economy nor for "complete" free enterprise.

R.P.

A HISTORY OF SINO-INDIAN RELATIONS: HOSTILE CO-EXISTENCE. BY JOHN ROWLAND. (Princeton: D. Van Nostrand, 1967. 248 pages, notes, bibliography and index, \$6.75.)

It is in the Himalayan border region that China's confrontation with India has resulted in violence between the two nations. The encounters, past and present, are detailed at great length in Rowland's study. Drawing on numerous sources for information, many of them primary, the author develops a strong case for Indian attitudes on the relevant issues. A history, as well as a political document, the book reveals various themes which were to lead to the abandonment of India's proclaimed philosophy of the *Panchsheel*. Perhaps the most interesting part of the analysis deals with the complex maneuvers among parties and political movements in Nepal in the late 1950's.

Eventually, the author concludes, India's manifold problems can be resolved not by New Delhi's "... rigid adherence to principle, but [by] its ability to deter from aggression those nations—particularly China—which threaten it, and its ability to achieve a rate of economic progress which will satisfy the expectations of an exploding population."

R.P.

INDIA, INDIA. BY LISA HOBBS. (New York: McGraw-Hill, 1967. 216 pages, \$4.95.)

The author has produced a light but interesting account of her travels in the sub-continent of India. Her report does not deal in depth with any of the problems she viewed—she is horrified by the extremes of poverty evident in all large cities of India and her bewilderment at common bureau-

cratic policies and attitudes deepens this horror. But in neither case does she try to find the causes for such conditions. The last chapter concludes with a mixed attitude of hope and pessimism. In spite of its superficiality, the book does succeed in creating a sense of the magnitude of India's problems.

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PARTY BUILDING IN A NEW NATION, THE INDIAN NATIONAL CONGRESS. BY MYRON WEINER. (Chicago: Chicago University Press, 1967. 509 pages, glossary and index, \$12.50.)

Myron Weiner, a staff member of the Center for International Studies at the Massachusetts Institute of Technology, and author of several books on India, has compiled the results of his first-hand research into an important study. The five districts he discusses—Kaira, Guntur, Belgaun, Calcutta and Madurai—provide the varied backgrounds against which the Congress party must operate in recruiting and training its members. In the rich complexity of her political fabric and the sophistication of party techniques, India is no less highly developed than the Western democracies.

O.E.S.

WEST BENGAL AND THE FEDERALIZING PROCESS IN INDIA. BY MARCUS F. FRANDA. (Princeton: Princeton University Press, 1968. 257 pages, bibliography and index, \$7.50.)

Professor Franda, who teaches Political Science at Colgate University, has used the case study method to illuminate and explain the enormous complexity of the federalizing process in India. Focussing on West Bengal, he makes amply clear the countervailing urgencies of the need for prompt action and the need for careful study before that action can be taken. An excellent bibliography is included.

O.E.S.

INDIAN AGRICULTURE

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ards.¹⁴ Besides, compared to large farmers, small farmers suffer from extra disadvantages in getting enough supplies of credit, inputs and technical assistance. Although there has been some improvement in cooperative servicing in recent years, particularly in credit, marketing and provision of agricultural supplies,¹⁵ many of the cooperatives tend to be dominated by the larger farmers and traders who take the lion's share of the facilities, thereby defeating one of the major aims of the cooperative movement.¹⁶ As for cooperative farming, no significant progress has as yet been made in this direction.

Apart from being small, the holdings also consist of widely scattered fragments. According to National Sample Survey 16th Round data for 1959-1960, the average number of parcels per operational holding in India is 5.82 and the average area of a parcel is 1.14 acres. Under the five year plans, up to 1964-1965 a total of only about 55 million acres of area has been consolidated. Consolidation of holdings removes a lot of division strips, assists in soil conservation measures and irrigation projects, and economizes use of animal and human labor.

¹⁴ It has been calculated on the basis of Farm Management Studies data that the minimum size of holding for employing a pair of bullocks fully is about 7.5 acres, and that for yielding a minimum net farm business income of Rs. 1200 per family is about 15 acres under average Indian conditions.

¹⁵ According to the All-India Rural Credit Survey of the Reserve Bank, cooperatives provided only 3.1 per cent of the total annual borrowings of cultivating households in 1951-1952; according to the recent All-India Rural Debt and Investment Survey of the Reserve Bank, it has gone up to 15.5 per cent in 1961-1962. The total value of agricultural produce handled by cooperative marketing societies has gone up from Rs. 530 million in 1955-1956 to Rs. 3010 million in 1964-1965. The total value of agricultural supplies like fertilizers, seeds, pesticides and implements handled by cooperatives was about Rs. 30 million in 1955-1956 and Rs. 1040 million in 1964-1965.

¹⁶ For example, in 1961-1962 the proportion of annual borrowings from cooperatives to aggregate annual borrowings by all rural households increased uniformly from 4 per cent for the lowest asset group to 20.5 per cent for the highest asset group, according to All-India Rural Debt and Investment Survey data.

Thus it is generally true to say that in India, in spite of copious land legislation, some crucial land relations have remained basically unaltered. A substantial part of Indian agriculture still bears the burden of uneconomically small and fragmented holdings, tenurial insecurity and share-cropping. One can no doubt expect that with the significant improvement in supplies of agricultural inputs (particularly chemical fertilizers and high-yielding varieties of seeds) and investment, Indian agricultural performance may be much better in the next decade than it has been in the past. But a large part of her development effort will remain seriously constrained by her backward rural institutional framework.

POPULATION OF INDIA

(Continued from page 224)

intolerable and then impossible in the face of population growth. Conversely, were fertility to be significantly controlled, one could expect a more rapid rate of modernization. Unfortunately, it seems unlikely that this control can be accomplished with domestic resources alone. Indeed, even with the fullest possible effort at home, India will be unable to ensure either a marked decline in fertility, or the maintenance of acceptable social and economic standards. External assistance will be required.

For the first time in its history, the United Nations may be prepared to provide such assistance. After 20 years in the demographic wilderness, the United Nations has finally agreed to take a more active role in cooperating with nations desiring to develop family planning programs. So far, however, the change has been more verbal than monetary. Appropriations in this area have been very limited, and—in view of the U.N.'s overall financial situation—are not likely to increase markedly in the near future.

That leaves the Western world, which has shown a remarkable indifference to the developmental problems of India. Our own record in this area is mixed. On the one

hand, much of the \$15 billion Food for Peace program has gone to India, and there is every evidence that we will continue to meet her food deficits; on the other hand, our general aid to India over the entire 20 years of her independence has cost us less than has 4 months of the Vietnamese war, and has been much less than our per capita aid to other smaller Asian nations. Worse still, our most recent foreign aid bill was the lowest in history, and suggests further disengagement from these obligations. In the area of population control, the situation is hardly better. The United States is now spending some \$25 million overall for this purpose, with India as a "major" recipient.

Clearly, India needs more assistance if she is to control her population growth while maintaining some degree of internal coherence. If she receives such increased aid, while *maintaining* and *expanding* her domestic effort, we should reasonably anticipate a decline in fertility and a marked acceleration in the process of development. But if there is any failure of total resolve, any flagging of effort—either in India or the West—we should recognize the certainty of a much less desirable outcome.

COMMUNIST-LED MINISTRIES

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study of the arguments and tone adopted by the C.P.I.(M) leaders in this discussion would show that the difference between them and Peking is only tactical and not fundamental. However, this is not the occasion to go into the question. It may be pointed out that the stand taken by some of the leaders of the C.P.I.(M) (Namboodiripad, Jyoti Basu) vis-a-vis Russia and China indicates the possibility that some of them may take an independent position in the future on the international-ideological issue.

While in Kerala, law and order was more or less well maintained, *gherao* was officially discouraged and industrialization was encouraged even in the private sector, in West Bengal the reverse was the case. It seemed to be an important item of tactics of the C.P.I.(M).

to demoralize and paralyze the police and to disrupt the industrial and trade establishments by strikes and labor disturbance. This not only resulted in unemployment and a flight of capital but also in a trend toward chaos both in the city and in the rural areas, dislocating railway and road movement and civic life. This indicates the sharp contrast between the policies of the same party in the two states. The attempt to raise para-military volunteer forces in both states is of course common.

It can therefore be concluded that while in Kerala the aim of the C.P.I.(M) was to maintain a degree of stability and yet to consolidate its strength in terms of numbers, influence and power in the state vis-a-vis the other parties, in West Bengal the leaders of the C.P.I.(M) did not seriously expect to work with the government with the same perspective. They expected a breakdown sooner or later and they utilized the temporary position of power only to accentuate the political crisis and to strengthen themselves as a party, radiating in all directions, weakening other opposition forces and disorganizing both the state apparatus and the economic fabric in the urban and rural areas. They did not aim to concentrate on the city of Calcutta, and they worked to establish rural strongholds mainly near the border areas of Nepal and East Pakistan.

It must, however, be emphasized that the C.P.I.(M) has dug in in both states as an indigenous force; it cannot be treated merely as an agent of Peking.

ECONOMIC AID PROGRAMS

(Continued from page 238)

in other Asian and African states. In these enterprises, India's share of the capital is provided in the form of trained personnel and Indian-built machinery.

The first joint venture was set up in 1958 in Ethiopia. Only six others were established in succeeding years, but in 1964 alone twelve new proposals were approved by the Indian government. In 1965, fifteen were sanctioned and in 1966, twelve.

Joint ventures provide a number of dividends to India. First of all they demonstrate India's capacity to produce capital goods. This may open new markets for the sale of similar equipment to other firms in the same country. The joint venture is, in a sense, a form of export promotion. Secondly, many Afro-Asian states are beginning to develop indigenous industry to reduce imports. The joint venture enables India to remain in the market as a local producer even though her exports to the country are beginning to decline. Finally, India hopes that economic collaboration will improve relations with Afro-Asian countries by promoting new ties and demonstrating India's concern for and contribution to local industrial development.

India has engaged in an extensive assistance program for a variety of reasons. She seems sincerely to feel that developing countries have a duty to help one another, a duty which becomes ever more urgent as assistance from the developed countries decreases.¹⁶ India's considerable industrial experience and her extensive training facilities enable her to play a larger role in this respect than other Afro-Asian states. This, in turn, brings political dividends. It gives substance to the leading political role which India has played among the developing states since she became independent.

Aid also plays more precise and concrete roles in Indian diplomacy. In the countries where India has concentrated her assistance, it performs the vital political function of promoting national security. Aid is a new diplomatic instrument which India uses to cope with the changed nature of her traditional security problem in the Himalayas.

In areas where Indian aid has been small in quantity and necessarily limited in impact, its function has been different. Aid is expected to promote good will, a sense of solidarity and friendly relations. The objective is to obtain wider support for Indian foreign policy.

¹⁶ This feeling is expressed repeatedly by Indian officials both publicly and in private conversation. It is given substance by India's practice of providing assistance to any country which requests her help.

INDIA'S FOREIGN POLICY

(Continued from page 205)

and when mutually convenient to see that the spirit of the trade agreement was reached.

India's changing relations with Burma and Indonesia are examples of the diplomatic traffic that is taking place between India and Southeast Asia. Thailand, Malaysia, Singapore and all the countries of the old Indochina area, as well as the Philippines, have been included on the recent Indian diplomatic agenda. T. N. Kaul, Secretary of the Ministry of External Affairs, announced on January 19, 1968, that India will seek to develop a broad-based regional economic organization in the Asian region without any political or military overtones. Kaul's recent visit to Australia, Fiji, Singapore, and Rangoon underscored the significance of his remarks.¹⁷

NUCLEAR WEAPONS

It is most unlikely that India will sign the draft treaty on nonproliferation of nuclear weapons presented originally in August, 1967, to the 18-Nation Disarmament Committee of the United Nations in Geneva, and recently submitted in revised form by both the United States and the U.S.S.R.¹⁸ India certainly is capable of developing nuclear weapons, and it is likely that she is learning to construct these weapons to prepare for possible policy changes or for an emergency.¹⁹

The announcement of the explosion of an atomic bomb by Communist China on October 16, 1964, and the subsequent testing of other nuclear devices by China,²⁰ has led

¹⁷ *The Hindustan Times* (New Delhi), January 20, 1968, p. 12. In the *Lok Sabha* on May 9, 1966, Ministers Swaran Singh and Dinesh Singh emphasized India's growing interest in Southeast Asia.

¹⁸ The text of the revised version, dated January 18, 1968, is printed in *The Department of State Bulletin*, February 5, 1968, pp. 165-167.

¹⁹ Especially note a major debate in Parliament on the nuclear issue on May 10, 1966. *Lok Sabha Debates* (14th Session, 3rd Series, Vol. LV, No. 56), Columns 15712-15718.

²⁰ External Affairs Minister Swaran Singh's discussion of the potential nuclear threat from China will be found in *Lok Sabha Debates* (14th Session, 3rd Series, Vol. LV, No. 56), Columns 15711-15713.

some Indians, though not the government, to believe that India may have to build nuclear weapons in the interests of national security. The government has opposed the nuclear arming of India and the proliferation of nuclear capability and delivery systems to other countries, but not at the expense of a lack of safeguards that might result in the nuclear blackmail of India.

INDO-AMERICAN RELATIONS

In certain respects, Indo-American relations have been constructive—although erratic—since 1947. The United States has been willing to provide India with about eight billion dollars in aid, both grants and loans, over the 20-year period, including millions of tons of food grains. Thousands of American specialists, funded both publicly and privately, have been engaged with Indian counterparts on many aspects of development. The United States and India have exchanged an outstanding series of diplomatic representatives; cultural delegations of various kinds have been sent; Indian students by the thousands have studied in American universities; and an increasing number of Americans visit India annually as researchers, in private professional capacities, and as tourists.

On a government-to-government level, however, India has not appreciated the anti-Communist stand and the substantial involvement of the United States in Asian affairs since the end of World War II. Furthermore, although India was grateful for relatively large amounts of assistance from the United States in food and financial support, she has not been willing to become so closely tied to the United States that relationships with the Soviet Union and other major coun-

tries of the world would be overshadowed. In recent years, India has sought Soviet support not only for economic and technical assistance, but also for military aid, and the Soviet Union has been generous in its response.²¹ It is clear that India intends to maintain a posture of nonalignment and if necessary to seek some balance in the bilateral relationships involved. It is probably fair to say that on a number of issues in recent world affairs, such as the Middle East crisis and the war in Vietnam, India has sided more closely with the Soviet view of the nature of these conflicts than with that of the United States. It can be expected that India's nonaligned policy will continue in the future and that the United States cannot expect "most favored nation" treatment.

The main lines of India's foreign policy were established by Jawaharlal Nehru and they have been continued, with some alteration in emphasis. The violence of the 1962 border affair with China and the war with Pakistan in 1965, plus mixed reactions from abroad to these conflicts, have resulted in two new aspects in India's policy on international politics. First, the armed forces of India have been expanded and modernized so that India boasts one of the largest military establishments in the world, numbering today somewhat over one million men in uniform. It can be certain that India is far better prepared in 1968 to meet threats to her security than she was in 1962. The second new phase of policy is the expansion of India's cultural and economic interests in Southeast Asia, and in Africa, to broaden her cooperative and friendly relations with other countries in the developing world.

India's current foreign policy is less concerned with the issues of the cold war than was Nehru's policy. Although a world of "peaceful coexistence" remains prominent in India's world view, the new Indian foreign policy places greater stress on securing friends nearby and promoting a more viable intra-Asian sense of self-reliance. The two outstanding unresolved problems near home are posed by Pakistan and China, and no end to these hostilities is in sight.

²¹ Premier Aleksei N. Kosygin and Prime Minister Indira Gandhi in New Delhi on January 29, 1968, agreed on steps to tighten bonds between the Soviet Union and India (*The New York Times*, January 30, 1968, p. 44). This general agreement follows the disclosure on July 16, 1966, that the Soviet Union would provide about a billion dollars of aid to India over the following five years, and that weapons are to be sold to India by the U.S.S.R. at "low prices." (*The New York Times*, July 17, 1966, p. 3.) See also Arthur Stein, "India and the U.S.S.R.: The Post-Nehru Period," *Asian Survey*, March, 1967, pp. 165-175.

POLITICS OF COALITION

(Continued from page 199)

which presumably now will run from 1969–1970 to 1973–1974.

More important than these encouraging signs of realistic planning in accounting for the brighter economic picture was the good harvest of 1967–1968, which will probably reach record proportions. Production of foodgrains will apparently reach at least 95 million tons, which would be 20 million tons higher than the previous year and 6 million tons better than the previous record level of 89 million tons in 1964–1965. This happier situation is, of course, due primarily to good monsoon rains, but it has also been assisted by the greater use and availability of high grade varieties of rice and wheat (this is an exciting story in itself) and of fertilizers. India may not be on the verge of an agricultural revolution, and self-sufficiency in food production may continue to be a chimera (especially as long as family planning measures fail to check the alarming population growth—a new Australia a year), but there can be no doubt that the food picture is at least temporarily much brighter and that this can change the whole political and psychological as well as economic climate of the country.

There is, of course, a somber side to this picture. India is still dangerously dependent on good monsoons, which do not always come, and its basic economic situation is discouraging indeed. A semi-official publication issued in mid-December, 1967, referred to low levels of agricultural production, a decline in real incomes (already among the lowest in the world), a slump in the index of industrial production, and a continuing rise in the price level.⁵ There seems to be a good

prospect of continuing food shipments from abroad, at reduced levels but still sufficient to meet immediate needs and to build up some stored surplus. Nonetheless, in view of the retrenchments being practiced by the United States and other aid-giving nations, it seems fairly certain that there will be overall cuts in foreign aid to India, and that these cuts will add to India's internal financial deficit and will make her already difficult foreign exchange situation even more desperate. As Indian and other spokesmen for developing countries pointed out repeatedly at the UNCTAD⁶ conference in New Delhi in February and March, 1968—one of the largest international conferences ever held—the trade and fiscal as well as the aid policies of the United States and other developed countries are adding to the survival problems of developing countries.

India's foreign debt has already reached the figure of approximately \$7 billion, and the servicing of existing debts is a major drain on its limited foreign exchange resources. India has not yet developed a sufficiently productive economy, and both internal and external conditions seem to work against it. The political and social consequences of failures on the economic front are obvious.

As Professor Morris Jones has said, it is the slow growth of the distributable cake that provokes the "mounting nastiness" that characterizes India's present social and political life. . . . It places a premium on extremism, Right, Left, class, caste, communal, and regional.⁷

Neville Maxwell's view that the Indian democratic experiment has already failed is clearly unfounded. Only time will tell whether his prediction that India's democracy is disintegrating is more accurate. The danger signs are evident, but so too are many signs of hope. In the words of Michael Brecher,

the all-India segment of the Indian political system is stable, mature, sophisticated, and resilient. Its survival potential is high, in the absence of overwhelming disturbance of the system from outside, notably massive invasion or unremitting economic crisis.⁸

India may yet confound the prophets of gloom and of despair.

⁵ "Objectives and Prospects," *Indian & Foreign Review*, Dec. 15, 1967, p. 4. For further discussion of India's economic position, see the articles that follow.

⁶ United Nations Conference on Trade and Development.

⁷ A. H. Hanson, "India after the Elections," *The World Today*, XXIII (May, 1967), 194.

⁸ Brecher, "Succession in India 1967," p. 443.

INDUSTRIAL PROGRESS

(Continued from page 211)

are now more or less directly involved with agriculture's wellbeing. A significant percentage of these cannot be absorbed outside agriculture and rural-oriented work activities in any foreseeable plan period. Present agricultural emphasis on intensive development will need to reach small and poor farmers as well as large and wealthier ones. This is a major effort, still in its beginning stage in India. The key requirement for it lies with government policy, outside of industry; but there is an important complementary dimension that is industrial. Our fertilizer illustration is in point. Other chemicals, diesels, power pumps and electric motors are essential elements in balancing the progress in agricultural technology, seed improvement and irrigation: a better balance would have meant a very different Third Plan experience for the Indian economy. India's diverse industry suffers not only from high food prices and agricultural raw material shortage; of even greater importance is its need for continuous demand for its products. This requires that most of India's people be able to convert their needs into effective demands. This is the core problem in a populous, tradition-bound society. Until India succeeds in this transformation, modern industry will not play a lead sector role in the economy.

Export stimulation deserves higher priority in Indian development schemes. While import substitution for machinery and parts presents a reasonably clear prospect (in concept and in measurement) this is not true for so-called maintenance imports. Success in the former (substitution of machinery) brings new costs to the latter (maintenance imports), as is clearly indicated in the relative increase of the maintenance/project import ratio in recent years. The goal of substitution for maintenance imports may need to await a much more developed stage of industrialization. In the interim plans, the volume of ex-

ports must assure these imports. There needs to be a constant searching for new opportunities such as the recent "discovery" of markets for tea in Eastern Europe, new scope for ore shipments to Japan, cables, castings and engineering goods to African lands. The persistent need for export stimulation strengthens the case for maintenance imports when these seem to compete for foreign exchange with new project imports. Recent shifts in International Bank policy to permit financing of maintenance imports are to be commended. (Currently, in fact, new loans are not available for new projects.) Again the "maintenance vs. project" dichotomy illustrates the need for a higher priority for efficient resource use.

PROSPECTS

India's prospective emergence as a significant producer of heavy capital goods will yield benefits only as these products do in fact replace imports. In this regard the pro-foreign bias of Indian industry deserves attention. The record of steel expansion provides illustrations of the extent to which India's development relied upon foreign sources for plates and sheets. This is still the problem of emphasizing capacity use. Competition between use-of-existing vs. creation-of-new is apparent, not real. For efficient output today is the best assurance for continued growth of capacity.

India is making a major investment in industrial capacity. Its extent and scope are bold and imaginative. On the other hand, India is not an automatic recipient of more domestic output, even if it is modern output. Direct efforts are needed to assure that product meets needs, that quality and price will serve that purpose, in India and abroad. The intersectoral links of industry are technologically known, though the appropriate balance of capacity does not automatically assure the appropriate ratios of output. But the links between industry and the rest of the economy are economic. Only when they are joined can Indian industry best serve the nation's total economic expansion.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of February, 1968, to provide a day-by-day summary of world affairs.

By MARY KATHARINE HAMMOND

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INTERNATIONAL

Disarmament

Feb. 16—At the 17-nation Geneva Disarmament Conference, the Soviet delegate declares that nonnuclear nations refusing to renounce the acquisition of nuclear weapons will receive less help with peaceful nuclear programs than will those who accept the proposed treaty to bar proliferation.

Feb. 27—Azim Husain, India's delegate to the Geneva Disarmament Conference, denounces the draft treaty to halt the spread of nuclear weapons as lacking "some fundamental requirements."

European Economic Community (Common Market)

Feb. 2—West German Chancellor Kurt Kiesinger and Foreign Minister Willy Brandt conclude two days of discussion in Rome with Italian Premier Aldo Moro and Foreign Minister Amintore Fanfani on methods of furthering British association with the Common Market, without jeopardizing European economic cooperation.

Feb. 16—French President Charles de Gaulle and Chancellor Kiesinger issue a joint declaration supporting the principle of enlarging the Common Market but agreeing that Britain still is far from membership eligibility.

International Communist Conference

Feb. 26—Delegates from 64 Communist parties meeting in Budapest hear Janos Kadar, Hungarian Communist party leader, de-

nounce "American imperialism" at the opening of a world Communist conference. Among the Communist bloc countries not attending are China, Yugoslavia and Cuba.

Feb. 27—The Soviet delegate to the Budapest meeting proposes a conference of all Communist parties of the world to be held next November or December in Moscow.

Feb. 29—Rumania walks out of the conference in protest against a planned full-scale meeting next fall.

Korean Crisis

(See also *Korea, Republic of*)

Feb. 4—U.S. Secretary of State Dean Rusk and Defense Secretary Robert McNamara say that they cannot be certain the U.S. intelligence ship *Pueblo* had not strayed into North Korean territorial waters until they have talked with the captured Commander.

Feb. 6—The aircraft carrier *Enterprise* is ordered to withdraw from a position off the North Korean coast in a gesture apparently intended to encourage release of the *Pueblo* and her crew.

Feb. 15—At Panmunjom, the sixth secret meeting takes place between U.S. and North Korean negotiators on release of the *Pueblo*.

Feb. 16—The North Korean radio says that all *Pueblo* crew members have signed a joint statement asserting they were guilty of espionage and they "deserve any punishment" but ask for leniency.

Feb. 18—The U.S. State Department issues a statement challenging the validity of the *Pueblo* confession and warning against any

move to punish the 82 surviving crew members.

Middle East Crisis

Feb. 6—The Palestine National Liberation Movement announces that it has set up many secret, well-stocked bases in Israel and Israeli-held territory.

Feb. 12—Israeli Premier Levi Eshkol warns that if Jordan does not stop shelling along the Jordan River cease-fire line, Israel will be forced to retaliate.

Feb. 14—The U.S. State Department announces that Washington has decided to resume arms shipments to Jordan.

Feb. 15—Major fighting between Israel and Jordan, involving jets, tanks and artillery, breaks out along the Jordan River. After 8 hours, a cease-fire is negotiated by the U.S. embassies in Amman and Tel Aviv.

Feb. 16—Jordan's King Hussein calls for an end to Arab terrorist activity against Israel, warning that it only gives Israel excuses to wage aggression against Jordan.

Feb. 24—King Hussein says he is hopeful that Jordan will not have to turn to other arms suppliers in light of the U.S. decision to supply Jordan with military equipment.

Feb. 26—Several Israeli peace feelers to the Arabs are announced by Israeli Foreign Minister Abba Eban.

Organization of American States (O.A.S.)

Feb. 13—On the sixth ballot that the O.A.S. Council has held since November 17, Galo Plaza Lasso, a former President of Ecuador, is elected Secretary General.

Feb. 21—The O.A.S. completes work on the reorganization of assistance to educational and scientific development in Latin America. A special \$25-million fund is established to support multi-national projects in these fields.

United Nations, The

(See also *Intl, War in Vietnam* and *U.S., Foreign Policy*)

Feb. 1—The second U.N. Conference on Trade and Development opens in New

Delhi. Attended by delegates from 132 nations, the meeting is called to devise ways of narrowing the growing economic gap between the rich and poor nations.

Feb. 14—U Thant confers in Paris with Hanoi's chief representative in Europe.

Feb. 15—At U.N. headquarters, U.N. Secretary General U Thant discusses the results of his recent visits to New Delhi, Moscow, London and Paris with Arthur Goldberg, U.S. Ambassador to the U.N.

Feb. 21—The U.N. Secretary General confers in Washington with U.S. President Lyndon B. Johnson.

Feb. 24—U Thant issues a 1,800-word report on his recent peace mission. He says Hanoi will negotiate in good faith if the U.S. halts its bombing of North Vietnam.

War in Vietnam

(See also *Intl, U.N.; Laos, U.S., Foreign Policy*)

Feb. 2—U.S. President Lyndon B. Johnson declares the Vietcong army suffered "a complete failure militarily" in its week-long widespread attacks on cities throughout South Vietnam.

Feb. 4—In a television broadcast, U.S. Secretary of State Dean Rusk states that he regards the enemy offensive as North Vietnam's reply to month-long diplomatic soundings aimed at opening peace talks. U.S. Defense Secretary Robert McNamara reveals that there have been no bombings near Hanoi or Haiphong since January 18 in an effort to further peace talks.

Feb. 5—U.S. army sources report that Vietcong forces attacked 11 of the Mekong Delta's 16 provincial capitals last week, killing 1,250 civilians and leaving between 80,000 and 120,000 homeless.

Feb. 7—The enemy siege of Saigon enters its second week.

North Vietnamese forces, equipped with Soviet-made tanks of the latest design, capture the allied camp at Langvei, near the Laotian border and 6 miles from the heavily defended U.S. Marine stronghold at Khesanh.

Feb. 8—In a press interview, North Vietna-

mese Foreign Minister Nguyen Duy Trinh indicates that his country is still ready to discuss peace with the U.S. "as soon as it has really stopped unconditionally the bombings and all other acts of war" against North Vietnam.

Feb. 9—U.S. infantry troops enter Saigon to aid South Vietnamese forces in clearing the city of guerrillas, who have held out for 11 days.

The Pentagon and the White House deny rumors that the military has asked for the use of nuclear weapons in Vietnam.

Feb. 10—The Hanoi Communist party newspaper *Nhan Dan* warns the U.S. that a defeat as disastrous as the French loss at Dienbienphu threatens U.S. forces at Khesanh.

Feb. 13—The Pentagon reports that 10,500 more combat troops are being rushed to South Vietnam to reinforce troops there to cope with an anticipated enemy assault on Vietnamese cities timed to coincide with the expected attack at Khesanh.

Major fighting ends within Saigon; bitter clashes continue in the suburbs.

Feb. 16—Three captured U.S. pilots are released by North Vietnam; these are the first American prisoners to be freed by Hanoi in several months.

President Johnson asserts that North Vietnam is no more ready to negotiate now than it was "one, two or three years ago."

Feb. 18—Vietcong troops shell Tansonnhut Airport outside Saigon and hit major military installations around Saigon with heavy rocket fire.

Feb. 22—The U.S. command in Saigon announces the death toll last week for American troops was 543, the highest weekly total to date. Fatalities since the first of the year total 2,242.

Feb. 24—The last major enemy stronghold in Hue is captured. The 25-day battle reportedly resulted in the death of more than 11,000 civilians, enemy forces and allied troops.

American officials in Saigon concede that as a result of the recent Vietcong of-

fensive, their pacification efforts in the countryside have suffered a "considerable setback."

Feb. 26—Army censorship of military information that might provide intelligence to the enemy is announced by the U.S. command in Saigon.

Feb. 27—Spokesmen for the Joint General Staff in Saigon confirm the removal of 2 South Vietnamese corps commanders, Lieutenant General Vinh Loc and Major General Lu Lan, following charges of corruption and lack of aggressiveness.

BELGIUM

Feb. 6—Premier Paul van den Boeynants's center-right coalition government defeats a parliamentary motion of censure on its handling of the language conflict at the University of Louvain. The dispute on languages has touched off violence between the French-speaking Walloons and the Dutch-speaking Flemish throughout the country.

Feb. 7—The failure of the cabinet to agree on a method of settling the language dispute at Louvain University results in the resignation of the cabinet. Premier van den Boeynants remains as head of a caretaker government.

BOLIVIA

Feb. 7—President René Barrientos Ortuño names a new cabinet to replace the cabinet that resigned last week following dissension on a proposal to renew trade relations with the Soviet Union. The new cabinet includes 6 members from the former cabinet, who continue in their old positions.

Feb. 23—The 5 surviving members of Che Guevara's guerrilla band in Bolivia acknowledge at a press conference that their attempted insurrection has failed. They cross the border into Chile and surrender.

CANADA

Feb. 2—Quebec's Minister of Natural Resources asks France to help develop the mineral wealth of that province, including any off-shore oil which may be found. In

Paris, he declares that the Quebec government does not recognize the claim of the federal government to the offshore areas.

Feb. 5—Premier Daniel Johnson of Quebec rejects as inadequate the federal government's suggested bill of human rights to be added to a revised federal constitution. He calls for a new constitution to recognize a "two-partner" Canada.

Feb. 7—A 3-day Federal-Provincial Conference on Constitutional Change ends after all 10 provincial premiers approve a long-term program to give the French language equal status with English throughout Canada.

Feb. 12—Prime Minister Lester B. Pearson tells Commons that the government will proceed July 1 with its medical-care insurance program although only 1 or 2 provinces are expected to take part in the program at the start.

Feb. 15—A government-sponsored committee of economists charges that the United States' hold on Canada's economy encroaches on the nation's sovereignty, particularly in regard to influencing the country's foreign policy. The report urges radical new controls on U.S. companies operating in Canada.

Feb. 19—The House of Commons narrowly defeats a tax increase bill. Prime Minister Pearson says he will ask next week for a vote of confidence.

Feb. 28—Prime Minister Pearson's minority government wins a vote of confidence, 138 to 119, ending a 9-day challenge.

CHILE

Feb. 15—President Eduardo Frei Montalva shakes up his cabinet in an effort to strengthen his fight against mounting inflation. Last month the government's forced savings plan was defeated in the Senate by delegates from the far right and the far left.

CHINA, PEOPLE'S REPUBLIC OF (Communist)

Feb. 2—The Foreign Ministry accuses the U.S. of having bombed 2 Chinese freight-

ers in North Vietnamese ports January 20 and 27 in acts of "deliberate provocation." Feb. 23—Hong Kong reports new unrest in Kwangtung Province which, coupled with food shortages, has prompted hundreds of refugees to flee to Hong Kong in the last few days.

CUBA

Feb. 3—A revolutionary tribunal announces that Anibal Escalante, leader of the pro-Soviet party faction critical of Premier Fidel Castro, has been sentenced to 15 years' imprisonment. Eight other members expelled from the Party for "anti-party" activities receive 12-year sentences.

Feb. 21—The government announces that because of an "extraordinary drought," it is suspending distribution in Havana of rationed milk to those between the ages of 13 and 65.

CYPRUS

Feb. 25—Archbishop Makarios wins overwhelming support and is reelected President for a new 5-year term.

FRANCE

(See also *Germany, Federal Republic of*)

Feb. 4—Foreign Minister Maurice Couve de Murville summons the West German Ambassador for an explanation of reported remarks made by German Foreign Minister Willy Brandt. Brandt is quoted as having said in a speech last night that French President Charles de Gaulle is "obsessed with power."

Feb. 12—Informed Paris sources say that export licenses for the sale of 500,000 tons of wheat to Communist China are being granted to brokers.

Feb. 18—A bomb explosion at the Yugoslav Embassy kills 1 person and injures 21.

Feb. 24—After 8 months of negotiations, the leaders of the Communist party and the President of the non-Communist Federation of the Left announce that they agree on a joint platform.

GERMANY, FEDERAL REPUBLIC OF (West)

(See also *Intl, European Economic Community and France*)

Feb. 3—The West German news agency *D.P.A.* reports that at a state election rally of the Social Democratic Party in Ravensburg Foreign Minister Willy Brandt referred to French President Charles de Gaulle as a man "obsessed with power."

Feb. 5—The Bonn government asserts that *D.P.A.* misquoted Foreign Minister Brandt in his election talk. Officials of the news agency retract the original version.

Feb. 7—Foreign Minister Brandt tells the Bundestag that he will not go to Paris "wearing a hair shirt" because of press misquotations. A government spokesman says Bonn considers the incident closed.

Feb. 9—The United States and West Germany cancel a joint project to develop a vertical take-off fighter plane. The U.S. Defense Department says that at the present there is little need for the craft.

In the face of increased anti-U.S. student demonstrations throughout West Germany, Chancellor Kurt Kiesinger warns that those participating in the violence will be immediately punished.

Feb. 18—More than 10,000 people in West Berlin stage a protest march and rally opposing U.S. policies in Vietnam.

Feb. 21—A crowd of more than 150,000 West Berliners rallies in a display of support of the United States.

Feb. 24—The Soviet Government warns that unless Bonn outlaws the right-wing National Democratic Party, West Germany's efforts to achieve diplomatic relations with Eastern Europe are doomed to failure.

GREECE

Feb. 5—Nineteen Air Force officers are dismissed for having supported King Constantine's abortive December 13 coup against the new revolutionary regime. To date, 101 officers, including 37 generals, have been discharged.

Feb. 11—The major spokesman for the ruling

junta renounces as a "rehash" of the old constitution the draft of a new charter drawn up by a panel of independent jurists named by the new government when it seized power.

Feb. 14—Authoritative Athens sources say the government has agreed to discuss with Turkey the latter's complaints about the treatment of the Turkish minority in the Greek-held area of Thrace.

INDIA

(See also *Pakistan*)

Feb. 14—At the opening session of the West Bengal Assembly, left-wing opposition members swarm over the Speaker's chair and drive West Bengal's governor from the assembly when he attempts to read his opening address.

Feb. 20—The federal government at New Delhi dissolves the West Bengal Assembly and assumes responsibility for the administration of that state.

Feb. 23—After a 5-day delay, Prime Minister Indira Gandhi confirms India's intention to abide by the ruling of an international tribunal giving 10 per cent of the Rann of Cutch to Pakistan.

ISRAEL

(See also *Intl, Middle East Crisis*)

Feb. 4—The government decides to transfer the Ministry of Police from Tel Aviv to the former Arab sector of Jerusalem.

Feb. 5—Israel announces that after February 16 only Israeli currency will be legal tender in the occupied Gaza Strip and the northern Sinai Peninsula.

Feb. 29—Interior Minister Moshe Haim Shapiro removes the designation "enemy territory" from all the areas overrun by Israeli troops last June.

ITALY

(See also *Intl, European Economic Community*)

Feb. 1—Premier Aldo Moro wins 3 votes of confidence, defeating demands of left- and right-wing parties for a parliamentary investigation into the operations of the intel-

ligence branch of Italy's armed forces.
Feb. 14—Following the longest and fiercest struggle in the nation's parliamentary history, the Senate passes a measure dividing Italy into 14 semi-autonomous regions. Each region will have control over its police, hospital and health services, and agricultural and forestry functions.

JAPAN

Feb. 12—The Foreign Ministry expresses concern to the U.S. over the recent stationing of B-52 bombers in Okinawa.

Feb. 15—The government states that it will make no special political concessions to Communist China as the price for a new trade agreement.

JORDAN

(See *Intl, Middle East*)

KENYA

(See *United Kingdom*)

KOREA, REPUBLIC OF (South)

(See also *Intl, Korean Crisis*)

Feb. 12—In Seoul, President Chung Hee Park and Cyrus Vance, President Johnson's special envoy, discuss major differences of opinion on South Korea's basic defense posture.

Feb. 15—Following the Park-Vance talks, the Seoul government announces it will not continue to oppose the current U.S. bilateral contacts with North Korea. A new defense agreement is signed between the Seoul government and the U.S. involving \$100 million in special U.S. military aid to South Korea. Government sources express dissatisfaction that a joint communiqué does not promise military retaliation against North Korea for its January 21 commando raid against President Park's official mansion.

Feb. 16—The Defense Ministry announces that half the proposed \$100-million U.S. military aid fund will be used to acquire a squadron of F4-C jet fighters.

Feb. 20—The government reveals plans to

organize the nation's veterans, reservists and villagers into a national militia and counter-intelligence network to cope with an expected increase in infiltration from North Korea.

LAOS

Feb. 17—The International Control Commission announces it will investigate charges by the Laotian government that North Vietnamese troops have surrounded the city of Saravane. This provincial capital is 70 miles southwest of the embattled U.S. Marine outpost at Khesanh in South Vietnam.

Feb. 20—Sources in the International Control Commission say that group is unable to investigate a reported threat to Saravane because Poland has refused to participate. The other commission members—India and Canada—plan to visit the area without the Polish representative.

PAKISTAN

(See also *India*)

Feb. 19—A 3-nation arbitration commission awards Pakistan 300 square miles in the disputed Rann of Cutch on the Arabian Sea; India's claim to the other 3,200 square miles in dispute is upheld by the commission.

PARAGUAY

Feb. 11—In the first national election since a new constitution was proclaimed in August, General Alfredo Stroessner is reelected president for a new 5-year term.

POLAND

Feb. 1—The Roman Catholic episcopate issues a detailed attack on the pro-Communist Catholic lay organization called Pax. Pax is accused of having participated in the arrest of Stefan Cardinal Wyszynski, the Primate of Poland.

Feb. 5—The closed trial of Janusz Szpotanski, accused of harming state interests by writing an operetta satirizing prominent Poles, opens in Warsaw.

Feb. 8—Pax spokesmen deny allegations it

cooperated in repressive state measures during the Stalinist era.

Feb. 17—It is revealed that more than 230 writers have signed a petition requesting a meeting of the Writers Union to protest government interference in the nation's cultural life.

SOUTH AFRICA, REPUBLIC OF

Feb. 9—Thirty Ovambo tribesmen from South-West Africa are sentenced to prison terms—19 of them for life—on charges of terrorist activity.

SOUTHERN YEMEN, PEOPLE'S REPUBLIC OF

Feb. 27—All British military and administrative officers are dismissed by Southern Yemen in a move to eliminate "vestiges of Colonial rule."

SPAIN

Feb. 2—Students and faculty at the University of Madrid hospital vote to strike until the government rescinds its order to assign special police units inside the university buildings. Police attack hundreds of students leaving the meeting.

Feb. 3—The Minister of Education orders the expulsion of 137 students from Barcelona University for taking part in a recent protest sit-in.

SWITZERLAND

Feb. 18—Male voters in the canton of Berne approve measures to allow women to vote in municipal elections but not in canton-wide elections. A second German-speaking canton rejects a similar measure. The 3 French-speaking cantons allow women to vote in canton-wide and municipal elections.

Feb. 21—The Foreign Ministry announces that the Swiss Ambassador to Communist China will also serve as its representative to the North Vietnamese Foreign Ministry. This is the first official channel of communication between the Swiss government and Hanoi.

SUDAN, THE

Feb. 7—Premier Mohammed Ahmed Mahgoub dissolves the Constituent Assembly to avert a possible vote of no-confidence.

Feb. 8—Followers of opposition leader Sayed Sadik el-Mahdi, insisting the Premier acted illegally in dissolving the assembly, name Sadik as Premier. Mahgoub insists he is still premier.

U.S.S.R., THE

(See also *Intl, Disarmament; West Germany*)

Feb. 8—The McGraw-Hill Publishing Company announces plans to publish a collection of documents smuggled out of Russia over the past year. At least 15 Ukrainian writers, teachers and scientists are reportedly held in hard-labor camps.

Feb. 14—Premier Aleksei N. Kosygin urges Soviet industry to close the gap in production of consumer goods between the U.S. and the U.S.S.R.

Feb. 23—Defense Minister Marshal Andrei Grechko declares that the Soviet Union has deployed an "enormous" force of intercontinental nuclear missiles.

UNITED ARAB REPUBLIC, THE

(See also *Intl, Middle East Crisis*)

Feb. 4—Yugoslav President Tito arrives in Cairo from Ethiopia for a 5-day visit with President Gamal Abdel Nasser.

Feb. 20—A military tribunal pronounces Air Marshal Mohammed Sidky Mahmoud, commander of the Air Force during the June war with Israel, guilty of "negligence." He is sentenced to 15 years in prison.

Feb. 25—Universities are closed indefinitely following student and worker protests that sentences set for military officers held responsible for the June defeat were too lenient. General Mohammed Fawzy, armed forces commander, orders the officers retried.

Feb. 28—A week of rioting ends.

UNITED KINGDOM, THE

(See also *Intl, Common Market* and
U.S., Foreign Policy)

- Feb. 22—The government announces plans to have Parliament enact within one week emergency legislation to limit the flow of colored immigrants into Britain. The measure is aimed at 160,000 British citizens of Indian or Pakistani origin who live in Kenya and who fear harassment by the Kenya government.
- Feb. 26—In London, some 2,000 persons congregate at Speakers' Corner, Hyde Park, to protest the proposed immigration bill limiting the number of "colored" British citizens who will be allowed to enter the U.K.
- Feb. 27—By a vote of 372 to 62, the House of Commons approves the Government's bill to restrict Asian (colored) immigration.

British Territories

The Trucial States

- Feb. 27—The rulers of the seven Trucial States join Bahrein and Qatar in announcing a union to take effect when Britain leaves the area in 1971.

UNITED STATES, THE

Civil Rights

(See also *Government*)

- Feb. 6—Violence breaks out in Orangeburg, South Carolina, following the arrest of 15 students of South Carolina State College on trespass charges at an all-white downtown bowling alley.
- Feb. 8—Three students are killed and 37 are wounded as police and Negroes exchange gunfire in Orangeburg, S.C.
- Feb. 10—The Commission on Civil Disorders, named by New Jersey's Governor Richard J. Hughes to report on last summer's Newark riots, calls for a grand jury investigation of Negro allegations of corruption in the city government. The report alleges that during the riots, in which 26 were killed and more than 1,000 wounded, the

police and National Guard used "excessive and unjustified force."

- Feb. 15—At Social Circle, Georgia, state troopers arrest 44 Negroes who lay down in front of school buses to protest conditions at an all-Negro elementary school.
- Feb. 16—Secretary of the Army Stanley Resor tells a congressional committee that special task forces totaling 15,000 men have been specifically earmarked for use in civil disturbance duty this coming summer.
- Feb. 20—The Senate defeats a vote of censure to end a month-long debate on open housing and protection for civil rights workers and Negroes.
- Feb. 24—President Johnson reports that 60 leading businessmen have joined a nationwide effort to find jobs for the hard-core city unemployed. Henry Ford II, chairman of the National Alliance of Businessmen, warns that employment may not be the answer to race rioting in the cities.
- Feb. 26—South Carolina State College reopens.

Foreign Policy

(See also *Intl, Korean Crisis, U.N., War in Vietnam; Korea*)

- Feb. 8—British Prime Minister Harold Wilson confers in Washington with President Johnson on the Vietnamese situation and on the planned British military withdrawal from the Far East.
- President Johnson asks Congress for \$3.04 billion in economic and military foreign aid for fiscal 1969, the smallest such request in 20 years.
- Feb. 9—Cyrus Vance is sent by the President to Seoul as his special representative for discussions on the "grave threat" to South Korea posed by increased North Korean military activity.
- Feb. 14—President Johnson announces that the U.S. will adhere—with reservations—to a treaty among Latin American nations barring nuclear weapons from their territory.
- Feb. 15—The Commerce Department reports that the 1967 U.S. deficit in the balance of payments was \$3.57 billion, with the

deficit in the fourth quarter the worst for any period since 1950.

Feb. 19—The President's Special Task Force on Travel announces that the nation's airlines have agreed to cut domestic fares in half for foreign visitors. The group also discloses many other reductions involving rental cars, hotels, motels, trains and buses.

Feb. 20—The Senate Foreign Relations Committee begins a reexamination of the August, 1964, events in the Gulf of Tonkin, which triggered the first U.S. air strikes against North Vietnam. Secretary McNamara tells the committee the government has "highly classified and unimpeachable" evidence that 2 U.S. destroyers were attacked by North Vietnam while on routine patrol duty.

Feb. 21—The Soviet Union delivers a strong protest to the State Department after a bomb explosion tears into the Soviet Embassy in Washington. The U.S. rejects the charge that police protection for the Embassy is inadequate.

Chairman J. W. Fulbright of the Senate Foreign Relations Committee accuses Secretary McNamara of deceiving the U.S. public by presenting a one-sided account of the 1964 raids in the Gulf of Tonkin.

Feb. 24—President Johnson asks Congress to lower what he terms unnecessary, cumbersome and obsolete barriers confronting tourists and businessmen entering the U.S.

Government

(See also *Civil Rights*)

Feb. 1—The annual report of the Council of Economic Advisers warns there will be no prospect of slowing inflation in 1968 unless 1968 wage settlements average much less than the 1967 average 5.5 per cent increase. The report also says the proposed 10 per cent tax surcharge is essential.

Feb. 5—Secretary of the Treasury Henry Fowler presents to the House Ways and Means Committee the Administration's proposal to curb foreign travel by an "expenditure tax" on travel costs over \$7 a day. The tax is for travel outside the Western Hemisphere.

Feb. 6—In a special message to Congress, the President proposes an 8-point program to protect consumers against fraudulent business practices.

It is revealed that 5 employees of the Agency for International Development have resigned in the past month as a result of investigations of alleged misconduct and possible malfeasance in the agency.

Feb. 15—The State Department's Office of Inspector General of Foreign Assistance reports to Congress on widespread waste and inefficiency in economic and military aid programs in 29 countries.

Feb. 16—Secretary of Commerce Alexander Trowbridge resigns; President Johnson names C. R. Smith, chairman of the board of American Airlines, to replace him.

The President names former Director of the Budget Bureau, Frank Pace, to head a 13-man board to direct the Corporation for Public Broadcasting.

Feb. 22—In a special message to Congress on the plight of the cities, President Johnson outlines plans for public-private cooperation to build 6 million new housing units for low and moderate income families.

Feb. 23—The Commerce Department orders a freeze on the sale of refined copper except to military contractors, because of the 7-month strike of copper workers and the threatened boycott of longshoremen.

Feb. 29—After 7 years of service, Secretary of Defense Robert McNamara leaves office to become head of the World Bank.

In its official report, the President's National Advisory Commission on Civil Disorders warns the nation it is moving toward "two societies, one black, one white—separate and unequal." White racism is blamed for sparking riots. Vast aid to ghetto Negroes is urged.

Labor

Feb. 7—The Labor Department reports that unemployment in January declined to 3.5 per cent, the lowest since November, 1953.

Feb. 13—The 18 building-trades unions assure the Labor Department that they will actively recruit Negro members and try to

prevent discrimination by their local unions.

Feb. 19—About 40 per cent of Florida's public school teachers begin striking in a pay dispute.

Feb. 22—The International Longshoremen's Association says it will refuse to handle copper exports and imports in a move to support 60,000 members from 26 unions who have been on strike for more than 7 months against major copper producers.

Feb. 23—Longshoremen begin a boycott of copper imports, but end it within a few hours with the explanation that the order had been sent out from union headquarters by mistake.

Military

(See also *West Germany*)

Feb. 1—The American Civil Liberties Union announces that it will not defend persons refusing to register for military service as a protest against the Vietnam conflict or the draft. The A.C.L.U. bases its position on its assumption that the draft laws are constitutional.

Feb. 16—The Administration abolishes most graduate student draft deferments with exemptions for medical and dental students. The National Security Council also suspends indefinitely the list of critical occupations for deferments. The existing system of draft selection, under which the oldest are taken first, is unchanged.

President Johnson says that no government officials have recommended the possible use of nuclear weapons in Vietnam and indicates that no such step is being contemplated by the Administration.

Feb. 23—The Defense Department says that 48,000 men will be drafted in April—the highest monthly total since October, 1966.

Feb. 28—Authoritative sources in Washington announce the suspension of nuclear-armed flights by Strategic Air Command bombers following the crash of a B-52 plane carrying unarmed H-bombs off Greenland in January.

Politics

Feb. 1—Former Vice President Richard M. Nixon announces his candidacy for the Republican presidential nomination.

Feb. 8—George C. Wallace of Alabama announces he will "run to win" for the presidency on the American Party ticket.

Feb. 24—New York's Governor Nelson Rockefeller says he will run for President only if drafted by the Republican national convention.

Feb. 28—Michigan Governor George Romney announces his withdrawal from the Republican presidential primary race, citing lack of rank-and-file enthusiasm for his candidacy.

VIETNAM, REPUBLIC OF (South)

(See also *Intl, War in Vietnam*)

Feb. 9—President Nguyen Van Thieu tells the National Assembly he plans to bolster the South Vietnamese armed forces by 65,000 more men. He warns that higher personal taxation may be necessary and asks for authority to rule by decree in matters of finance and economics for the next year.

Feb. 15—Government press censors in Saigon delete remarks made at a recent Washington news conference by U.S. President Lyndon Johnson saying the U.S. was willing to meet with the enemy "tomorrow" and that his San Antonio peace formula still stands.

Feb. 20—Three key anti-government leaders are placed in "protective custody" and taken to the headquarters of the national police chief.

Feb. 21—The government-supported National Salvation Front announces it has unified anti-government and pro-government forces into an anti-Communist front. Neither of the two major opposition leaders, arrested yesterday, are asked to join the group.

YEMEN

Feb. 28—King Faisal of Saudi Arabia announces the resumption of military aid to the royalists in Yemen, citing Syrian and Russian aid to the republicans.